

The NATIONAL UNDERWRITER



It's Not Too Late For '56!

DECEMBER 1955						
SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

While it's late, it's not too late to make plans for '56.

Competition calls for planned sales presentations, plus regular calls every day.

Plan your work and work your plan.

Careful programming, plus judicious advertising next year, will provide a profitable answer at year-end in the way of new premiums and accounts. But before you commit your money to an advertising program, consult your company advertising manager. After all, he spends most of his time and quite a bit of his company's cash on advertising. He knows a lot about advertising generally and insurance advertising particularly. He certainly knows the fundamental points to keep in mind if you as the advertising buyer are to get the most out of what you spend.

Before '56 gets any closer, get a copy of our advertising-facilities booklet, "Key to Agency Development." Let us survey your advertising needs and make recommendations now for '56.

NORTH BRITISH and MERCANTILE Insurance Company Limited
The PENNSYLVANIA FIRE Insurance Company
The COMMONWEALTH Insurance Company of New York
The MERCANTILE Insurance Company of America
The HOMELAND Insurance Company of America

Administrative Office: 150 William Street, New York 38, N. Y.

The OCEAN MARINE Insurance Company Limited Administrative Office: 55 John Street, New York 38, N. Y.
CENTRAL SURETY and INSURANCE CORPORATION Home Office: 1737 McGee St., Kansas City 41, Mo.

PACIFIC DEPARTMENT — SAN FRANCISCO 4, CALIF.
 MIDWESTERN DEPARTMENT — CHICAGO 6, ILL.
 PHILADELPHIA DEPARTMENT — PHILADELPHIA 5, PA.

SOUTHERN DEPARTMENT — ATLANTA, GA.
 WESTERN DEPARTMENT — KANSAS CITY 41, MO
 MICHIGAN-OHIO DEPARTMENT — DETROIT 26, MICH.

THURSDAY, DECEMBER 8, 1955

LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 3,807,806.80	Reserve for Losses	\$ 16,918,000.49
Mortgage Loans on Real Estate	953,829.49	Reserve for Loss Expenses	1,516,210.00
Bonds and Stocks	155,874,898.18	Reserve for Unearned Premiums	53,802,706.05
Interest due and accrued	167,388.93	Reserve for Taxes and Expenses	2,043,389.98
Agents and Departmental Balances	4,752,931.47	Funds held under Reinsurance Treaties	8,023,156.81
Real Estate	3,086,000.00	All other Liabilities	830,582.01
Equity in Marine and Foreign Insurance Pools	8,922,570.24	Capital	15,000,000.00
All other Assets	1,447,167.79	Net Surplus	80,878,547.56
Total admitted Assets	\$179,012,592.90	Total	\$179,012,592.90

SURPLUS TO POLICYHOLDERS \$95,878,547.56

Securities carried at \$3,290,509 in the above statement are deposited as required by law.

GIRARD INSURANCE COMPANY OF PHILADELPHIA, PA.

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 324,812.04	Reserve for Losses	\$ 1,767,552.29
Mortgage Loans on Real Estate	1,587.22	Reserve for Loss Expenses	158,410.00
Bonds and Stocks	13,682,617.35	Reserve for Unearned Premiums	5,990,152.03
Interest due and accrued	37,449.56	Reserve for Taxes and Expenses	218,210.00
Agents and Departmental Balances	549,481.52	All other Liabilities	16,647.11
Real Estate	150,000.00	Capital	1,000,000.00
All other Assets	223,026.88	Net Surplus	5,818,003.14
Total admitted Assets	\$14,968,974.57	Total	\$14,968,974.57

SURPLUS TO POLICYHOLDERS \$6,818,003.14

Securities carried at \$795,921 in the above statement are deposited as required by law.

NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 680,023.96	Reserve for Losses	\$ 1,767,552.29
Bonds and Stocks	13,043,157.07	Reserve for Loss Expenses	158,410.00
Interest due and accrued	30,204.44	Reserve for Unearned Premiums	5,621,178.24
Agents and Departments Balances	1,949,089.76	Reserve for Taxes and Expenses	217,010.00
Real Estate	66,000.00	All other Liabilities	143,355.35
All other Assets	73,741.45	Capital	1,000,000.00
Total admitted Assets	\$15,842,216.68	Net Surplus	6,934,710.80
		Total	\$15,842,216.68

SURPLUS TO POLICYHOLDERS \$7,934,710.80

Securities carried at \$1,822,477 in the above statement are deposited as required by law.

MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS.

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 414,063.82	Reserve for Losses	\$ 4,797,641.93
Mortgage Loans on Real Estate	341,125.62	Reserve for Loss Expenses	429,970.00
Bonds and Stocks	37,241,875.34	Reserve for Unearned Premiums	15,257,483.80
Interest due and accrued	64,825.93	Reserve for Taxes and Expenses	593,570.00
Agents and Departmental Balances	3,076,329.33	All other Liabilities	61,930.64
All other Assets	169,171.28	Capital	3,000,000.00
Total admitted Assets	\$41,307,391.32	Net Surplus	17,166,794.95
		Total	\$41,307,391.32

SURPLUS TO POLICYHOLDERS \$20,166,794.95

Securities carried at \$2,754,310 in the above statement are deposited as required by law.

ROYAL GENERAL INSURANCE COMPANY OF CANADA

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 16,050.06	Reserve for Taxes and Expenses	\$ 3,863.32
Bonds and Stocks	404,720.00	Capital	100,000.00
Interest Due and Accrued	2,904.58	Net Surplus	350,415.93
Agents and Departmental Balances	30,604.61		
Total admitted Assets	\$454,279.25	Total	\$454,279.25

SURPLUS TO POLICYHOLDERS \$450,415.93

Securities carried at \$55,802 in the above statement are deposited as required by law.

THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 1,192,957.75	Reserve for Losses	\$ 18,266,637.50
Mortgage Loans on Real Estate	52,668.63	Reserve for Loss Expenses	1,878,775.00
Bonds and Stocks	46,831,032.27	Reserve for Unearned Premiums	14,818,502.75
Interest due and accrued	129,074.23	Reserve for Taxes and Expenses	1,428,986.73
Agents and Departmental Balances	4,448,971.92	Funds held under Reinsurance Treaties	263,540.22
Equity in Marine and Foreign Insurance Pools	131,211.80	All other Liabilities	113,860.34
All other Assets	191,657.78	Capital	2,000,000.00
Total admitted Assets	\$52,977,574.38	Net Surplus	14,207,271.84
		Total	\$52,977,574.38

SURPLUS TO POLICYHOLDERS \$16,207,271.84

Securities carried at \$4,440,750 in the above statement are deposited as required by law.

COMMERCIAL INSURANCE COMPANY OF NEWARK, N. J.

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 1,029,385.81	Reserve for Losses	\$ 22,479,011.00
Mortgage Loans on Real Estate	447,012.98	Reserve for Loss Expenses	2,240,947.00
Bonds and Stocks	55,260,072.59	Reserve for Unearned Premiums	17,323,404.31
Interest due and accrued	124,846.78	Reserve for Taxes and Expenses	1,245,916.41
Agents and Departmental Balances	4,616,631.15	Funds held under Reinsurance Treaties	704,439.64
Equity in Marine and Foreign Insurance Pools	131,211.80	All other Liabilities	181,720.92
All other Assets	342,316.04	Capital	2,000,000.00
Total admitted Assets	\$61,951,477.15	Net Surplus	15,776,037.87
		Total	\$61,951,477.15

SURPLUS TO POLICYHOLDERS \$17,776,037.87

Securities carried at \$1,692,141 in the above statement are deposited as required by law.

HOME OFFICE

10 PARK PLACE, NEWARK 1, NEW JERSEY

Foreign Department

102 Maiden Lane, New York 5, New York

Western Department
120 So. LaSalle St., Chicago 3, Illinois

Southwestern Department
912 Commerce St., Dallas 22, Texas

Pacific Department
220 Bush St., San Francisco 6, Calif.

Canadian Departments
800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver 3, B. C.

Pacific Fire Rate Bureau Sets Out "Block" Manual

Many Risks Will Be Rated by Bureau, Package Credit of 25% Offered

Pacific Fire Rating Bureau has promulgated, effective Dec. 1, a manual for commercial property or mercantile block policies. The rules are effective for California only, but since the insurance companies are seeking to stabilize this coverage countrywide, there has been wide interest in the rule book on which the Pacific bureau has been working sometime. Insurers began writing the block about three years ago, at their own rates and on their own individual forms, but the coverage has spread in the last year to other sections of the country.

The "Commercial Property Basic Form," as it is called by the Pacific bureau, provides coverage on stocks of non-manufacturing risks, predominantly retail or wholesale. The coverage is all risk, and the all risk contract is effected by attaching the form to the California standard fire policy.

Furniture, fixtures, equipment and improvements and betterments may be included while stock earthquake and flood are excluded except as to specified situations, but the earthquake damage assumption endorsement may be attached to the policy to cover at specified locations only. There is a \$50 deductible but it is not applicable to burglary, fire, vandalism and malicious mischief, and what are designated "the qualified perils." The latter are aircraft, explosion, riot, riot attending a strike, civil commotion, smoke, vehicles, wind-storm and hail.

The rate is indivisible and is to be computed only by the rating bureau with certain exceptions for which a formula is published in the manual.

For example the coverage cannot be written on inland marine insurance bureau risks of jewelers, furriers, and camera, musical instrument, construction equipment or agricultural equipment dealers, neither can the coverage be written on auto dealers or on risks where bailment, installation, repair and service charges account for more than 50% of the total gross income, risks rated under petroleum properties schedules, or risks rated under the rating plan for highly protected risks (Factory Insurance Association).

The policy rate is computed at the inception of the policy and applies only during the first year of the policy form. At each anniversary the rate is recomputed subject to individual rates then current. The new rates then apply only to the succeeding year of the term. Except where premiums are paid monthly the minimum earned premium is \$300 and for the monthly

(CONTINUED ON PAGE 27)

Penalty Tax Ruling on Incorporated Agencies Reversed

Internal revenue service, as a result of efforts of National Assn. of Insurance Agents, has reversed a recent ruling which, in effect, had imposed a severe penalty tax on incorporated agencies as personal holding companies. If the ruling had remained, almost all agencies in the incorporated category would have been affected since the agency to which the ruling applied was typical of a great many members of NAIA.

NAIA entered the picture after the ruling of revenue service against the R. H. Whitfield agency of Torrington, Wyo., when the agency brought the matter to the attention of the association and asked for assistance. The executive committee of NAIA retained Charles W. Tye of Froggatt & Co., a leading insurance tax authority, as special tax counsel to pursue the matter.

The Whitfield agency gave its power of attorney to Mr. Tye who, together with George S. Hanson, NAIA general counsel, conferred with IRS and submitted a brief of the NAIA position.

Internal revenue service reversed its

(CONTINUED ON PAGE 38)

Alliance Wants Voluntary Auto Compulsory Law

NEW YORK—American Mutual Alliance advocated an equal responsibility or misdemeanor type of automobile liability insurance for New York motorists at a press conference held here by Hubert Yount, vice-president of Liberty Mutual. Mr. Yount gave the alliance position on the subject as it is interpreted by Liberty Mutual since Franklin Marryott, vice-president of Liberty Mutual and official spokesman for the alliance, was unable to attend the press conference because of illness in his family.

An equal responsibility law is an extension of the present financial responsibility law to eliminate the first bite. All the requirements of the FR law would be retained under the equal responsibility law, Mr. Yount said.

Equal responsibility would make it a violation of the motor vehicle law for motorist, resident or non-resident, to operate his car on the public highways of the state without maintaining financial responsibility.

The proposed amendment specifically would prohibit the motor vehicle commissioner from issuing a regis-

(CONTINUED ON PAGE 38)

A&H Advertising Code Adopted by Commissioners

Authorize Interpretation Committee; Deal with Surplus Lines, Auto PHD

NEW YORK—National Assn. of Insurance Commissioners wound up its midyear convention here by adopting an advertising code for A&H and authorizing a subcommittee to interpret the code. The code underwent some change from the time discussions opened two days prior to the convention and the plenary session Thursday afternoon, but on the final draft only one objection was raised against it. Pansing of Nebraska and his subcommittee were roundly applauded by commissioners for a thorough, satisfactory and expeditious piece of work.

The final change in the code agreed upon in the closing executive session of NAIC was elimination of the word "essential" in the preamble and substitution of "desirable." Use of the word "essential," it was felt by some, would in effect tell the federal trade commission that state laws are inadequate to control the advertising in this field.

In fire and casualty the commissioners did not do much. They outlined a suggested method of dealing with physical damage insurance overcharges on financed cars by way of insured misclassification; they will continue to study what needs to be done in respect to surplus line legislation including, perhaps, a model bill; and there was a lively session on flood insurance with Bisson of Rhode Island laying down the law to the industry.

However, the big job was the A&H code.

The commissioners authorized the chairman of the A&H committee to appoint a permanent subcommittee on interpretation of "NAIC rules governing advertisement of A&H insurance," which is the title given the code. This would be a subcommittee of the A&H committee and would report to the latter periodically. The committee on interpretation shall limit its activities to preparing an interpretive guide on the code and submit the guide to the A&H committee for consideration from time to time. The code committee was authorized to confer with any governmental agency "requesting such conference with the distinct understanding however that the chairman or any member or members of such committee shall not have any authority to bind or commit the NAIC or any member thereof."

The effect of the proposed A&H advertising code on the drafting of advertising that would conform with the code was discussed by Donald F. Barnes, director of promotion and advertising of Institute of Life Insurance,

(CONTINUED ON PAGE 30)

Late News Bulletins ...

Aetna Fire Extra and Increased Dividend

Aetna Fire has declared an extra dividend of 25 cents payable Dec. 27 to holders of record Dec. 12. The company also has increased its quarterly dividend from 60 to 65 cents, payable Jan. 3 to holders of Dec. 12.

Liberty Mutual Gets PO Bond

WASHINGTON—The Post Office Department has awarded a two year blanket bond on 500,000 postal employees to Liberty Mutual at a premium of \$367,000. The inception date is Jan. 1.

The new bond will cover all part-time and temporary employees, including those who will be put on next year for the 1956 Christmas season.

The cost to the Department to handle paper work and administrative details in connection with individual employee bonding has been about \$300,000 annually, so the new blanket bond is a saving both to the Department and the employees, the Department stated. At the expiration of the present contract, competitive bidding for the blanket bond will be again invited by the Department.

North America Program for Agents

North America will sponsor a full hour radio broadcast Christmas eve starring Bing Crosby as the climax of a year of extensive promotional and public relations activities in behalf of its agents.

The program will be broadcast over CBS in the U. S. and Canadian Broadcasting Corp. in Canada.

This public relations program will give North America an opportunity to pay tribute to independent local agents and brokers and to the services they give their communities.

The company will also have a closed circuit broadcast on all stations of CBS and CBC Dec. 14 for employees, agents, and brokers in the U. S. and Canada when president John A. Diemand, CBS President Arthur Hull Hayes, Bing Crosby, Ken Carpenter, and others will outline plans for the Christmas program.

No New Wis. Fire Rates Pending Hearing

Fire Insurance Rating Bureau of Wisconsin filed its answer Dec. 5 with the Wisconsin insurance department in response to a notice of public hearing which is to begin Dec. 8, in the state capitol in connection with the recently

(CONTINUED ON PAGE 38)

Insurance and Reinsurance

for experienced attention
use a STEWART, SMITH office

CHICAGO
Board of Trade Bldg., Chicago 4

NEW YORK
116 John Street, New York 38

PHILADELPHIA
Public Ledger Bldg., Philadelphia 6

MONTREAL
Sun Life Bldg., Montreal 2

TORONTO
897 Bay Street, Toronto 5

BIRMINGHAM
Frank Nelson Bldg., Birmingham

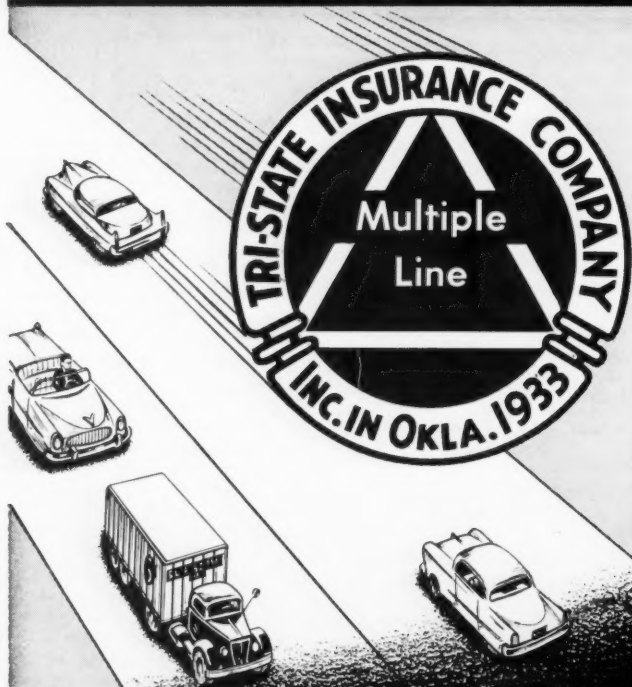


always at your service Around the Clock

LONDON
1 Seething Lane, London E.C. 3

For Brokers • Agents • Companies

For protection on the highway,
at work and at home



Experienced Underwriting
Prompt Claims Handling
Special Engineering Service

Home Office: Tulsa, Oklahoma

Two National Underwriter Veterans Retire

Richman, Fredrickson To Be
Succeeded by Hammel,
Zoll and McCormick

Two veterans in National Underwriter Company service who are widely known in the insurance business, Ralph E. Richman, vice-president at New York, and E. H. Fredrikson, resident manager of the Philadelphia territory, are retiring on the company's pension plan.

Clarence Hammel, who has been in



Clarence Hammel



Robert I. Zoll

the Omaha territory, is being transferred to New York, and Robert I. Zoll has assumed the management of the Philadelphia territory. Fred White succeeds Mr. Hammel at Omaha. John McCormick, who has been an agent of Provident Life & Accident in Newark and who previously was with Pru-



E. H. Frederikson



Ralph E. Richman

dential at Hackensack and Newark, has joined the sales staff of the National Underwriter Company and will handle the New Jersey territory. The Newark office is at 10 Commerce Place. J. T. Curtin, resident manager at New York, will handle all fire and casualty matters in the five boroughs. Mr.



Fred White



James T. Curtin

Hammel will handle life in that territory and all accounts in Westchester county.

Mr. Richman is one of the oldest executives of the company in point of service. He received his Phi Beta Kappa key at Indiana university, from which he was graduated in 1913. His father, the late Charles J. Richman, was for 30 years Indiana state agent of American. Ralph Richman

went into the fire marshal's office in Indiana for a year or so before joining the National Underwriter Company in 1916.

In 1919 he was made manager of the Cincinnati office of the company, a position he held until 1933. He was the first editor of *Accident & Health Bulletins*, beginning in 1924. In 1933, Mr. Richman transferred to Hartford where he was manager of the New England and New York territory. Later he established his headquarters in Boston and in 1943 produced the first Boston Insurance Telephone Directory. In that year also he became editor of *Casualty Insuror*, on which he had served as associate editor for three years. In 1946 he went to New York.

Mr. Richman has been noted for his development of ideas in both the editorial and sales field of the National Underwriter Company. He has been a vigorous business getter and editor. He will continue to be active in Holland, Mich., where he has moved to be with his wife and family.

Ewald H. Fredrikson joined the company in 1934. Previously he had been in the food packing business in New York City and Los Angeles. He started at the Cincinnati head office of the National Underwriter Company in the bookkeeping department but shortly afterward he went into the field, traveling out of Cincinnati as a specialty salesman on the *Little Gem* and *Unique Manual Digest*. He had a great deal to do with the building of these annual reference books. For a time he also edited and sold the *Estate Reporter*. He traveled occasionally throughout the midwest on hand-book trips. However, he began to devote his full energies to sales work in 1938 when he went to New York. In 1940 he transferred to Philadelphia to succeed W. J. Smyth.

Several years ago Mr. Fredrikson
(CONTINUED ON PAGE 18)

The northwest service office of Zurich-American companies has been moved to larger quarters at 316 Republic building Seattle. Truman A. Flowers heads the office which services the Washington and Oregon field.

Highlights of the Week's News

Newspaper ads of companies and agents increase 24.3%	Page 13
Holz suggests assessment financing of UJF in New York	Page 5
Insurance features reflected in Ohio turnpike operation	Page 9
Old doctrine being used to increase ship owner liability	Page 13
Good management called key to proper balance between service and agency profit	Page 17
FTC jurisdiction lacking in 44 states examiner rules	Page 6
Commercial block to be written as multiple line in Michigan	Page 6
Fireman's Fund sets up three new territorial units	Page 14
W. D. Maus named chairman; H. D. Smith named executive head of Marsh & McLennan	Page 14
Alabama top court upholds FR law	Page 11
J. B. Donovan blasts ineptitude of FTC	Page 11
Arkansas agents adopt three point policy program	Page 15
Two National Underwriter veterans retire	Page 2
Pacific Fire Rating Bureau sets out "block" manual	Page 1
A&H advertising code adopted by commissioners	Page 1
Alliance wants voluntary auto compulsory law Penalty tax ruling on incorporated agencies reversed	Page 1
Allstate takes Washington fire rate rejection to court	Page 38
October traffic deaths highest since 1937	Page 38
New Jersey files major fire rate changes	Page 38

8, 1955

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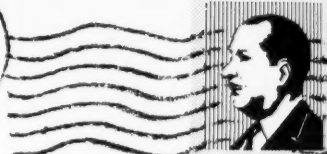
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Hotel Fontainebleau at Miami Beach, host to Combined Group of Companies' 1955 Managers' Miami Conference

Oceanfront, 44th to 48th Streets, Miami Beach, Florida



TEST DATA

Mr. and Mrs. Insurance

Everywhere

U. S. A.

W. Clement Stone

COMBINED INSURANCE COMPANY OF AMERICA, CHICAGO: COMBINED AMERICAN INSURANCE CO., DALLAS: HEARTHSTONE INS. CO. OF MASSACHUSETTS, BOSTON: FIRST NATIONAL CASUALTY COMPANY, WISCONSIN

Holz Suggests UJF for N. Y. Financed by Uninsured Motorists on Assessment Basis

NEW YORK—An unsatisfied judgment fund which would make it compulsory for every motorist to have insurance or pay, at the time of auto registration, a substantial additional assessment over and above the cost of registration, was proposed by Insurance Superintendent Holz of New York at a public hearing held here by the joint legislative committee on unsatisfied judgment act and compulsory automobile insurance.

The money collected from the assessment would be placed in a special fund to indemnify a person injured by an uninsured, financially irresponsible motorist. Mr. Holz said this would make possible the satisfaction of claims for damages against known uninsured, financially irresponsible motorists and, unlike compulsory, claims arising out of accidents involving uninsured out-of-state cars, hit and run drivers and unlicensed drivers.

Persons who testified at the hearing other than Mr. Holz were Ray Murphy, general counsel of Assn. of Casualty & Surety Companies, Vestal Lemmon of National Assn. of Independent Insurers, Hugh Harbison, attorney of Travelers, Alex Goldberger of Greater New York Insurance Brokers' Assn., Joseph P. Craugh, executive vice-president of Utica Mutual, representing American Mutual Alliance, Michael J. Murphy of Assn. of New York State Mutual Casualty Companies, C. F. J. Harrington of Assn. of Casualty & Surety Agents and former insurance commissioner of Massachusetts, Roderick L. Geer of New York Mutual Agents Assn., Henry S. Moser, vice-president of Allstate, Daniel J. Reidy of New York State Bar Assn., and Thomas C. Morrill, vice-president of State Farm Mutual.

Mr. Holz said, in making his proposal, that the plan, which he called a compulsory indemnification law, would also provide that any uninsured motorist involved in an accident would not be relieved of personal liability merely by paying the assessment levied against him. He would always remain primarily liable for the damage. Until the judgment rendered against him was fully paid by him, not only would his driver's license and registration be revoked but his car would be impounded. He also would not be relieved from paying the judgment resulting from the accident.

Furthermore, Mr. Holz said, the law would provide that any financially irresponsible uninsured motorist would be excluded from any benefits of the compulsory indemnification law if he were involved in an accident with another uninsured financially irresponsible motorist. Finally, the law would provide that the entire sum necessary for the establishment and operation of the compulsory indemnification fund would be borne entirely by the financially irresponsible, uninsured motorist.

The adoption of compulsory insurance of the Massachusetts type would not achieve the objective of protecting persons against uninsured, financially irresponsible motorists, in his opinion. Contrary to the general impression compulsory insurance would not cover all persons injured in accidents, he said.

Mr. Craugh proposed equal responsibility legislation which would be put

into effect by amending the present financial responsibility law to include making it a misdemeanor for anyone to operate a motor vehicle on the public highways without maintaining financial responsibility.

No single solution to the problems raised by the financially irresponsible motorist can be worked out, Mr.

Craugh said, but American Mutual Alliance believes its proposal is the most practical answer. It would eliminate the standard anti-compulsory-auto arguments and the fear on the part of the agents that their commissions would be reduced, and there would be no political intervention in making rates, he said.

The mutual alliance is opposed to an unsatisfied judgment fund on the grounds that it is unfair, discourages individual initiative and would require the state to go into the automobile in-

surance business. He said he believed that if the alliance were to poll all its policyholders in the state, 96% of them would favor the equal responsibility legislation.

Mr. Murphy said that the mutual casualty companies' association has never previously taken a stand on the subject, but it now endorses the plan of American Mutual Alliance.

Mr. Harrington said that Assn. of Casualty & Surety Agents is opposed to an unsatisfied judgment fund of any

(CONTINUED ON PAGE 28)



608 Years of Service



An imposing record

The Agents of these Companies share with us pride in the fact that five of the Companies under Crum & Forster management are now in their second century.

THE NORTH RIVER INSURANCE CO.	Organized 1822	133 Years
UNITED STATES FIRE INSURANCE CO.	Organized 1824	131 Years
THE BRITISH AMERICA ASSURANCE CO.	Incorporated 1833	122 Years
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	118 Years
THE WESTERN ASSURANCE COMPANY	Incorporated 1851	104 Years
		608 Years

OLD COMPANIES LIKE OLD FRIENDS WEAR WELL . . . Over a collective period of six centuries, these Companies have survived the trials of peace and war, prosperity and depression, inflation and deflation—and have profited by the experience. They have kept faith with Agents and Policyholders, mindful of the trust and confidence reposed in them. They are old in years but young in spirit and they have kept abreast of changing times and conditions, always adhering to sound underwriting principles. With each passing year, we have an increasing appreciation of the contribution which our Agents have made to the good name and reputation of the Companies.



CRUM & FORSTER

MANAGER

110 WILLIAM STREET • NEW YORK 38, NEW YORK

UNITED STATES FIRE INSURANCE CO.	Organized 1824	THE WESTERN ASSURANCE CO., U. S. Branch	Incorporated 1851
THE NORTH RIVER INSURANCE CO.	Organized 1822	THE BRITISH AMERICA ASSURANCE CO., U. S. Branch	Incorporated 1833
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	SOUTHERN FIRE INSURANCE CO., Durham, N. C.	Incorporated 1923

WESTERN DEPT. FREEPORT, ILL. PACIFIC DEPT. SAN FRANCISCO SOUTHERN DEPT. ATLANTA ALLEGHENY DEPT. PITTSBURGH VIRGINIA CAROLINAS DEPT. DURHAM, N. C.



NO. 12 OF A SERIES



Service does Pay

Says a Pearl-American Agent in Northern New Jersey. This is his story:

"I was walking down the street one day when I saw a sign in a shopping center store window reading: 'The Modern Upholstering Company will occupy this store on July 1, 1954.' I knew the building was one risk and that the upholstery occupancy would substantially increase the cost of the building fire insurance. I called this to the attention of my client who owned the building. Fortunately for him the lease had not yet been signed. As a consequence the increased cost which amounted to nearly \$700 came out of the pocket of the tenant and not my client. For years I had been trying to get this client's entire account. Shortly afterward he turned it all over to me with the remark 'I like to deal with people who are on their toes'."

Every Pearl-American Agent has at his command the facilities of one of the world's greatest companies. We invite your inquiry.

WE BELIEVE

the properly qualified "Independent" local agent can best SERVE the insuring public. Unlike the "Captive" agent he is free to utilize the insurance facilities of the world. In the present and continuing struggle between "Independent" and "Captive" agents it is important that this capacity of THE "Independent Local Agent" to SERVE be emphasized again and again. This series of twelve actual stories of everyday service rendered by "Independent" agents is published in that spirit. Reprints are available without cost or obligation.

PEARL AMERICAN INSURANCE GROUP

PEARL ASSURANCE COMPANY, LTD.
THE EUREKA SECURITY FIRE & MARINE INSURANCE CO.
MONARCH FIRE INSURANCE COMPANY
HOME OFFICE: 19 RECTOR ST., NEW YORK 6, N. Y.

FTC Jurisdiction Lacking in 44 States, Hier Rules

WASHINGTON—A federal trade commission examiner, Frank Hier, has made what appears to be a significant and favorable ruling for the insurance business by declaring that FTC does not have jurisdiction over A&H advertising when it is adequately regulated by the states.

This is not a final decision of the commission and may be appealed. FTC can reject or adopt Mr. Hier's ruling.

Examiner Hier said FTC jurisdiction is limited—in other than mail order cases—to Montana, Mississippi, Missouri, Rhode Island and District of Columbia where regulation of A&H advertising is inadequate. He said the McCarran act withdraws federal control and "sanctions state control of the business of insurance of every phase thereof except where such state regulation is either as a matter of fact or of law, impossible or clearly ineffective..."

Mr. Hier granted a motion of Federal Life & Casualty of Battle Creek to limit FTC false A&H advertising charges against the company to its activity in Mississippi, Rhode Island and District of Columbia. The company does no business in Montana and there is no evidence that it advertises in Missouri, he said.

FTC counsel in support of the complaint has filed notice of intention to appeal the interlocutory order to the commission. Thus, the issue of jurisdiction will be before the commission for the first time since litigation began with the issuance of the first complaints in 1954.

Mr. Hier said the 'model bill' fully regulates the practices charged within the state, with appropriate prohibitions, enforcement and penalties. The bill has been enacted in 36 states. Eight other states have laws that vary somewhat in language but which the hearing examiners believe adequately prohibit false, misleading or deceptive advertising.

FTC counsel argued that dual control by state and federal authorities is

Commercial Block to Be Written as Multiple Line in Mich.

LANSING—All licensed multiple line insurers are being notified by the Michigan department that commercial block policies will be considered for approval in this state subject to the following specific conditions:

(1) The policies will be construed as multiple line contracts, a combination fire and casualty coverage, no inland marine.

(2) Policies may provide "all risk" coverage for all property usual and incidental to the occupancy both at and away from premises.

(3) Terms and conditions of the statutory fire policy must be incorporated in the contract.

(4) Approval of rates and forms will be governed by the same existing statutes and procedures now applicable to fire and casualty coverages.

An interpretation of the departmental directive by Michigan to its membership notes that "the effect of this new development might be described as permitting a personal property floater type coverage for all mercantile and manufacturing risks."

compatible and that "federal jurisdiction complements and supplements state regulation rather than invalidating, impairing or superseding."

Mr. Hier, rejecting this argument, said it requires no imagination to visualize a situation where the respondent's advertising is held not to be false by the state and then have FTC "step in and bar the dissemination in that state of the same advertising." In such a case, to say that this action has not "superseded" state law "is to do violence to common sense." Such an application of general federal statute "flies in the very teeth of the unequivocal prohibition of the McCarran act" and is not compatibility but supersession.

Twin City Women Underwriters entertained their general agents at a "bosses day" luncheon recently and heard a talk on "A Woman's View" by Mrs. James Kelly, Mrs. Annette Worwa, Miss Helen Rupp and Mrs. LaVonne Schultz.

KURT HITKE & COMPANY, INC.

NATIONWIDE INSURANCE SERVICE

GENERAL LIABILITY — TAXIS — TRUCKS — BUSES — FINANCIAL RESPONSIBILITY — SURPLUS LINES

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Amherst 6-0243

233 Sansome St.
SAN FRANCISCO 4, CAL.
EX 2-8842

1535 Wilshire Blvd.
LOS ANGELES 17, CAL.
DU 8-3161

4403 N. Central Expressway
DALLAS 5, TEXAS
Logan 8683



175 West Jackson Blvd.
CHICAGO 4, ILL.
Wabash 2-3622

343 North Calvert St.
BALTIMORE 2, MD.
MU. 5-2504

Reisch Building
SPRINGFIELD, ILL.
8-4305

1401 Peachtree St., N.E.
ATLANTA, GA.
Atwood 1635

7950 Biscayne Blvd.
MIAMI 38, FLA.
89-7523

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BUILT TO MEASURE—

Employers contracts mean expanded capacity in the field and added security in underwriting.

A plus factor is co-operation in every way we can deliver it—through our Regional Offices, always at your call.

MULTIPLE LINES

EMPLOYERS REINSURANCE CORPORATION

KANSAS CITY, MISSOURI

21 WEST 10th St.

NEW YORK
107 William St.

CHICAGO
175 W. Jackson

SAN FRANCISCO
100 Bush St.

LOS ANGELES
1139 W. 6th

Basically, reinsurance firms are much alike in the services they render. Perhaps there are two major differences. Differences in the capability of management and in financial capacity. The experience of Inter-Ocean counselors, and their ability to prepare contracts carefully fitted to your needs, is a natural outgrowth of the stability of Inter-Ocean management—continuous since the company's operation began in 1920. Our financial capacity is a matter of record—sufficient for your requirements.

INTER-OCEAN REINSURANCE

Excess of loss
Pro-rata
Catastrophe



Your reinsurance needs get executive attention.



AFIA Names Brown to High N. Y. Post

American Foreign Insurance Assn. has appointed T. B. Brown Jr. assistant general manager. He joined AFIA in China in 1940, where he was interned during World War II.

After his repatriation to New York in 1943, he returned to Shanghai and remained there until he was appointed manager at Calcutta in 1949. Since 1953, he has been supervisor in France.

Safe-Teen Program to Be Backed by Wash. Agents

Directors of Washington Assn. of Insurance Agents have voted to adopt the Safe-Teen program and underwrite its cost. The directors attended a luncheon sponsored by King County Insurance Assn. at which Judge Frances Cook of Beaverton, Ore., the founder of Safe-Teen, outlined the program.

Also at the directors meeting, H. B. Jones Jr. of Jones & Grey, legal counsel for the association, presented recommendations on the activities of state and national banks in the insurance business. The board adopted a resolution authorizing Mr. Jones to take steps to bar these banks from engaging in the business.

It was voted to hold the 1956 convention Sept. 9-11 at Spokane.

Two New American States V-Ps

Walter V. Wichterman and Pahl G. Pitz have been promoted to vice-presidents of American States. Mr. Wichterman, who is in charge of the investment portfolio and accounting department, has been with American States since 1929. He has served as assistant secretary and assistant treasurer. Mr. Pitz, who directs personnel and public relations, joined American States in 1952.

Home Indemnity Names West Coast Manager

Fernando S. Mostero, manager of Home Indemnity's Los Angeles office, has been appointed general manager of the company's Pacific department, succeeding the late William Latham. Mr. Mostero will make his headquarters at San Francisco under the direct supervision of Vice-president and Secretary George E. Stroub.

Mr. Mostero, who has had more than 20 years of casualty experience, joined Home Indemnity in 1949 as a special agent at Los Angeles. He was made assistant manager in 1950 and manager in 1951.

1955 Annual Telephone Ticklers Now on Sale

The 1955 annual edition of Telephone Tickler, published in November by The Weekly Underwriter, now is available.

Numerous changes have taken place during the past year in telephone numbers and addresses of insurance offices in the New York area. A special effort went into the compilation of this edition to assure accuracy in the recording of these changes.

Copies may be purchased for 50 cents each or three for \$1, plus postage if mailed, at The Weekly Underwriter office, room 614, 116 John street, New York City.

Northwest Ohio CPCUs Elect

Robert D. Falconer, president of the Picton-Cavanaugh general agency of Toledo, has been elected president of northwest Ohio chapter of CPCU. Kenneth T. Crothers was elected vice-president, Martha Ann Young secretary, and Edward J. Andelman treasurer.

STOCK COMPANIES

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COLLISION

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TAXI CABS
RENTAL CARS

GENERAL
PUBLIC
LIABILITY

(ALL CLASSES)
Including

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Hotels, Theatres, Municipalities, Re-
sorts, Amusement Park, Carnival,
Swimming Pool, Skating Rink, Shows,
Exhibits, Special Events,

Malpractice, Physician, Hospital, Clinic, Sanatorium.

Also SUBSTANTIAL MARKETS for
EXCESS LIMITS—ALL CLASSES

OVER LOW PRIMARY OR
SELF INSURED ...
HIGH LIMITS AVAILABLE

SURPLUS FIRE

SUBSTANDARD, HIGH RATED
or CAPACITY RISKS

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HARRISON 7-9376

175 W. JACKSON BLVD.

Teletype CG 1636



Unusual Safety, Insurance Features Are Reflected in Ohio Turnpike Operation

The new \$326 million Ohio turnpike, recently opened to traffic, reflects the most modern design, construction, routing, landscaping, traffic control and traffic safety. It also is an interesting insurance risk. The insurance advisor to the Ohio turnpike commission is Clayton G. Hale of the Hale & Hale agency, Cleveland.

The 241-mile road, which crosses Ohio and links with the Pennsylvania turnpike, marks a major step in the completion of a non-stop New York City to Chicago turnpike route. All that remains before such a throughway is a reality is the completion of the Indiana 150-mile turnpike, which will proceed from the terminus of the Ohio turnpike to the outskirts of Chicago, and the Delaware river crossing joining the New Jersey and Pennsylvania turnpikes. Both projects are expected to be completed by November, 1956.

An outstanding safety feature of the new Ohio expressway is the wide center strip which greatly reduces headlight glare and the possibility of head-on collisions. This center division, consisting of a grass mall depressed in the center four feet to facilitate drainage of rain water and melted snow, keeps the two lanes of traffic a minimum of 56 feet apart throughout the entire length of the road. By the use of twin bridges this separation of roadways is maintained wherever the turnpike passes over streams, railroads and other highways.

The speed limit of 65 miles for passenger cars is the highest sustained speed limit for any turnpike. For trucks it is 55 miles, and even the heaviest of these will be able to roll over the easy grades (a 2% maximum compared with 3% for the Pennsylvania and New Jersey turnpikes) in high gear. Curves provide a minimum sight distance of 900 feet, and there are no stop signs or intersections.

To prevent highway hypnosis the longest straight tangent is no more than 5.7 miles.

A new sign system utilizes colored backgrounds to indicate different kinds of information—green for exit or route information, blue for service plazas, and yellow for caution.

Safety is promoted by shoulders on both sides of each roadway, providing extra maneuvering room in emergencies and space for emergency parking.

The turnpike's communications system, installed by RCA, will enable turnpike personnel and police to keep in constant touch by two-way radio connecting all police and other turnpike vehicles, toll plazas, maintenance buildings and the administration building. Service trucks patrol the turnpike to assist drivers in any type of emergency.

The insurance program of the turnpike is interesting because few would suppose there is much to insure in a roadbed. But there is here and on other turnpikes.

As Mr. Hale points out, there are many insurable risks. The project involved the construction, ownership, and operation of 241.4 miles of toll road. It is more than just a roadway. There are or will be 17 toll plazas, eight maintenance buildings, four pairs of combined restaurants and filling stations leased to separate specialist operators, a police barracks, a

3-story headquarters office and garage building, a centrally located administration building with two-way radio communication system involving three antenna towers, a private tele-type-writer service and nine micro-wave relay stations.

The highway structures are numerous: Four major bridges over rivers, 30 bridges over streams, 298 highway grade separations, 251 draining struc-

tures, 260 electric power crossings, 256 telephone and telegraph crossings, 56 gas and oil pipe crossings and 12 main sewer and water pipe crossings.

The maintenance of this project requires at least 75 motor vehicles ranging from maintenance trucks and wreckers to snowplows, fire engines, police cars, and ambulances either owned or under contract.

When the turnpike is fully operating the commission staff expects to be receiving, classifying, recording and transporting toll receipts, mostly in coins and small-denomination paper

money, in the amount of approximately \$1.5 million each month and rising gradually to double that sum.

In dealing with these exposures, and their attendant risks, the commission already is using 12 general types of insurance policies and surety bonds.

Additional forms subsequently will be added because, aside from such prudent additional protection desired as the project goes into use on a self-sustaining and amortizing revenue basis, there are commitments for additional insurance for the protection of

(CONTINUED ON PAGE 29)

Memorandum

TO: LOCAL INDEPENDENT AGENTS
AND BROKERS...

See Great American's advertisements in
The Saturday Evening POST, NEWSWEEK,
and other publications. They contain mes-
sages of importance to you.



Standard
★ Stock ★
COMPANY PROTECTION

Great American

GROUP OF Insurance Companies

FIRE • MARINE • CASUALTY • SURETY

Great American • Great American Indemnity • American National Fire • Detroit Fire & Marine • Massachusetts Fire & Marine • Rochester American
17,000 LOCAL AGENTS • WORLD-WIDE FACILITIES • STANDARD STOCK COMPANY PROTECTION

Liberty Mutual Low Bidder on PO Bonds

WASHINGTON—The post office department has opened 26 bids on furnishing surety coverage on postal employees with the premium to be paid by the government. Lowest bid was submitted by Liberty Mutual at \$367,027, subject to dividend, the current rate of which is 15%. Indemnity of

North America bid \$772,830. Highest bid was from Surety Assn. of America, \$915,031.

Award is expected to be made by the department before year end. The department had invited all 185 insurers on its approved list to submit bids.

Insurance Women of Galveston heard Carl R. Byers of America Fore group, Houston, discuss fire rate analysis at the November meeting.

Backus and Saunders Named Resident V-Ps of Fireman's Fund

Leonard T. Backus, manager of the southern California department of Fireman's Fund group, and Richard T. Saunders, manager of the Pacific northwest department, have been appointed resident vice-presidents of all companies of the group.

Mr. Backus joined Fireman's Fund in 1923 in Los Angeles. Named manager of the marine department in 1939, he was elevated to manager of the southern California department with headquarters in Los Angeles in 1946.

Mr. Saunders began his career with Fireman's Fund in Seattle in 1923. In 1936, he was made assistant manager of the marine department and in 1939 he was named manager. In 1949 he was appointed manager of the Pacific northwest department with headquarters in Seattle.

The southern California department handles all business of the group from Bakersfield south in California and in Arizona. The Pacific northwest department performs the same functions in Washington, Idaho and western Canada area. Vice-president L. W. Nigge-man has executive jurisdiction over the two departments in addition to the Pacific department with headquarters in San Francisco.

Aetna Casualty Makes Winter Driving Film

A nationwide series of regional previews is being held for a new movie on winter driving safety produced by Aetna Casualty in cooperation with the committee on winter driving hazards of National Safety Council.

Entitled "Don't Skid Yourself," the documentary film is the first movie to feature the performance tests conducted with passenger cars on snow and ice.

Betty Skelton of Dodge Motors, a woman test driver, who plays a major role in the film, is making personal

appearances at the previews.

"Don't Skid Yourself" is the motion picture story of the annual skid tests conducted on frozen Pine Lake in Wisconsin.

The film is being made available to TV stations as well as for other showings, and may be obtained on a free loan basis from Aetna's public education department at Hartford, or through the company's local representative.

Name V-P, Controller of American F.&C.

American Fidelity & Casualty has promoted Luther H. Williams to vice-president and comptroller. He joined the company as assistant to the president last January.

He was with the Pennsylvania department from 1939 until the end of 1954 as examiner, director of the bureau of rate regulation and deputy commissioner.



Luther H. Williams

State Farm Mutual Automobile of Bloomington, Ill. has been licensed in Connecticut. Its affiliate, State Farm Fire & Casualty, also has been licensed there. This is the 44th state in which State Farm is operating.

The claims, underwriting and service units handling North and South Carolina for Nationwide Mutual Fire are being transferred from the home office to a regional office at Raleigh, N. C.

Eastern Adjustment Co. of Baltimore is opening a branch at Cumberland, Md., in the Liberty Trust building with F. H. Anderson as manager. The office will cover the western part of Maryland and part of Pennsylvania and West Virginia.

Preferred Risk Mutual of Des Moines has been licensed in California.

Memo to Company Claimsmen

New Staff Appointment
ALLAN C. SMITH

is now
ADJUSTER IN CHARGE
of our office at
PALM SPRINGS

Carnell Bldg. Tel. 5055
Staff Adjuster: Jim Warmoth

New Location
For Our Office at
LONG BEACH

2170 Pacific Avenue
HEmlock 5-6341
Frank Baumann, Mgr.

Staff Adjusters:
Curtis W. Gates
Jack Bowen

BROWN BROTHERS ADJUSTERS

TED D. BROWN, Gen. Mgr.—San Francisco

RANDY F. HOWORTH, Gen. Mgr., So. Calif.—Los Angeles

(See directories of independent adjusters for locations and telephone numbers of all 22 offices of Brown Brothers Adjusters in California and Nevada.)

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TO YOUR SPECIAL RISK PROBLEMS

DO YOU HAVE clients or prospects who pay \$7,500 or more annually for Workmen's Compensation—who would be interested in an efficient and direct way to minimize their insurance costs?

Many employers today have found the answer through a Self-Insurance program coupled with an Aggregate Excess Workmen's Compensation policy. This plan is specifically designed for the large mercantile or manufacturing risk.

Full particulars will be furnished upon request.

The multiple line facilities and departmental staff of our Chicago office are at your service and we suggest you contact us whenever you have a difficult or unusual line to insure.

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Cover it all

Fire and Casualty
Insurance is your
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clients need Life
Insurance, too.
Add this profitable
line to your business.
Ask us how.

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Insurance Company
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A COMPLETE LINE OF LIFE, HEALTH, ACCIDENT AND HOSPITAL COVERAGE

Donovan Blasts Ineptitude of FTC

State regulation of insurance faces a grave external challenge today from

federal trade commission, James B. Donovan of Waters & Donovan, New York, told Brooklyn Law School's symposium on insurance law. FTC, he declared, is more unequipped to deal with insurance complexities than the most minor state insurance department. Yet it has devoted more than five years to a persistent effort to gain regulatory power over the insurance business.

Its actions, he continued, have been characterized by a bland disregard of the unique status of the business as established by Congress, a failure to acknowledge the preeminence of National Assn. of Insurance Commissioners in its traditional role, and a blindly obstinate pretense that the business of insurance is not different from the manufacture of cosmetics.

This is a challenge which the state governments and the business must meet with their combined resources, if the present regulatory system is to continue its public service with increasing efficiency and distinction.

State regulation of insurance has done a generally good job, he said. There has been tremendous growth in all branches of the industry reflecting satisfaction of a public demand for more insurance protection during a steadily expanding national economy. He did not suggest that the new regulation has been the cause of this development. It is sufficient tribute to say that it has not noticeably retarded the progress and in some instances has fostered it. Insurance departments generally have exercised commendable discretion in the administration of the new power granted to them. NAIC constitutes a necessary and efficient hub of all regulatory activities which may properly be coordinated.

However, there have been occasions when some state administrative officials have failed to realize that an interstate business is being regulated and have imposed unwarranted restrictions on the rate treatment that is accorded to interstate risks. Fortunately these instances of provincial rate regulation have been few.

But another problem has been the tendency of some commissioners to ignore the fundamental legal requirement that rates must be adequate. In a small minority of states, applications for necessary rate increases at times meet with a flat refusal to consider the facts, principally because such increases are believed to be politically inexpedient. This puts a serious burden on the insurers, for the time-consuming remedy by way of administrative hearings and judicial review has not proved to be satisfactory in meeting the needs of a volatile and competitive industry. There is a growing belief today that certain state regulatory statutes need improvement in this regard, in order that there may be proper safeguards against abuse of the administrative determinations. Even more important than such statutory revision of course is the necessity at all times for

able and conscientious public officials to be administering the law. On the whole, the field of insurance has been most fortunate in this respect, but there have been lamentable exceptions.

He added that regulation does not exist for its own sake but is merely an instrument to serve an end. This is sometimes forgotten.



James B. Donovan

Texas Agents to Hold Three Regional Meetings

Texas Assn. of Insurance Agents will hold regional meetings at the Roosevelt Hotel, Waco, Dec. 13; Tarlton State college, Stephenville, Dec. 14, and Brady Country club, Brady, Dec. 15.

Speakers who will appear on the regional meeting programs are Marion Sanford and Drex G. Foreman, vice-president and executive secretary, respectively, of the Texas association; Mrs. N. Basford, Texas department WC director; Robert C. Estus, Texas department general liability director; J. D. Squibb, manager of Automobile Service Office at Austin; and J. Aubrey Reilly, director of the Texas Insurance Checking Office.

Ala. Top Court Upholds FR Law

Alabama's supreme court has upheld the validity of the state financial responsibility law and reversed the decision of a trial judge in Decatur, Ala. The high court determined the right of the state public safety department to apply the law to every motorist involved in an accident, regardless of who is at fault.

Frank Cheatham, a Morgan county motorist, challenged the law after a collision in which the driver of the other car claimed property damage amounting to \$568. Mr. Cheatham failed to furnish proof of financial responsibility and the state public safety department ordered him to surrender his driver's license and registration tags. Mr. Cheatham refused on the grounds that he was not negligent in the accident and therefore was exempt from the law. The trial judge upheld his contention.

In reversing the decree, the state supreme court stated that the question of blame cannot be considered in en-

forcing the law. For the state public safety director to take up one motorist's license and not the other's, the court held, would amount to deciding who was at fault in an accident and, under the law, the director lacks such authority.

No. Cal. Surety Men Install New Officers

New officers of Surety Underwriters Assn. of Northern California were installed at a business meeting and golf tournament at Lake Merced Golf Club near San Francisco. Trevor Lewis, Hartford Accident, is the new president; Robert Entriiken, National Surety, is vice-president, and Donald Clark, Travelers, secretary.

William Risdon, Fidelity & Deposit, retiring president, was given a gilt plaque for his services. The golf tournament was limited to just a few participants who braved a heavy rain.

AFIA Moves in L. A.

American Foreign Insurance Assn. has moved its Los Angeles office to 3277 Wilshire boulevard. Elmer J. McCluskey, recently appointed acting manager, is in charge.



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and

READY-MADE

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Regardless of size—we will custom-make a perfect insurance program for your client. Our staff of experts are well qualified to set up a program designed to meet individual requirements.

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WEbster 3-9275

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Exclusive Underwriting
Agents of Exchange
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Insurance Agents and Brokers:

NO MATTER HOW YOU LOOK AT IT

A GOOD NAME TO REMEMBER

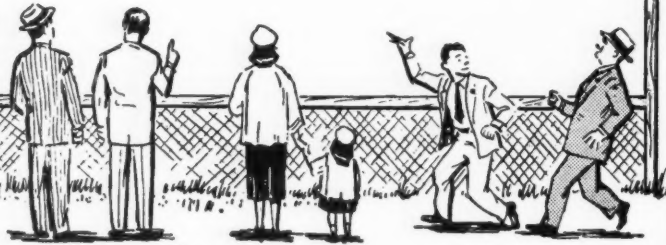
WHEN YOU HAVE A DIFFICULT OR UNUSUAL
RISK TO PLACE

MacGIBENY-GRUPE, Inc.

INSURANCE

175 West Jackson Boulevard, Chicago 4, Illinois
WA bash 2-9580 Teletype CG 2629

Correspondents of Underwriters at Lloyd's, London.

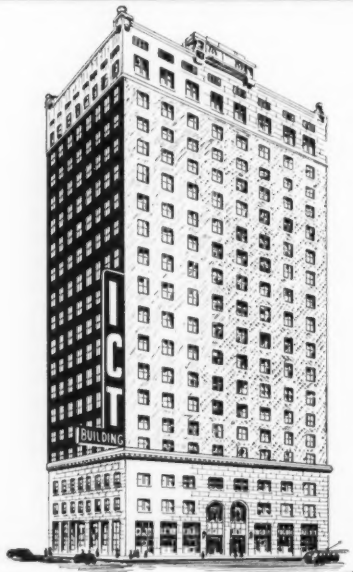


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Home Office: Dallas, Texas •



Newspaper Ads of Companies, Agents Increase 24.3%

Newspaper advertising by insurance companies and agents, which has shown a strong upward trend in recent years, continues to increase this year at an accelerated pace, according to the bureau of advertising of American Newspaper Publishers Assn.

Linage figures for the first nine months of the year indicate a jump of 24.3% over the same period last year. "These gains," the bureau said, "are occurring not only in life insurance, but also in A&H, casualty, automobile and other insurance fields."

The gain covers a list of 228 newspapers in 110 cities as measured by Media Records Inc. for the bureau. Actual linage counts in these newspapers for the first three quarters were 11,888,565 in 1955, and 9,567,090 last year.

The bureau credited the rise to "growing recognition by insurance companies and their agents of the need to promote heavily in local markets."

The bureau said a concerted campaign for advertising is being conducted by many newspapers among their local agents using a presentation, "The Cracker Barrel Days of Salesmanship Are Over," prepared by the bureau. All of the more than 1,000 member newspapers of the bureau are equipped to show the presentation to local insurance people and to help them plan productive advertising campaigns in their communities, the bureau said.

Texas Commissioners Study Two-Part Fire Policy

Texas board of commissioners had a hearing in Austin last week on rearrangement of the Texas standard fire policy to provide a two-part policy and to provide a jacket-type policy for use only in insuring dwellings and household goods.

Henry Moore, president of Builders & Bankers of Austin, said the jacket-type policy will reduce costs and save time, and he was supported by Raymond Mauk of National Standard. W. C. Thompson, attorney for Texas Insurance Advisory Assn., asked that if such a policy is approved, it be one which can be used by all companies.

T. R. Mansfield, president of Gulf, spoke in favor of a two-part policy in a jacket, saying his company may wish to use it at some time, and Jerome Sneed, representing American Mutual Alliance, said his organization has no objection if it is required that mutual insurance be written on the same basis as stock.

An objection was raised by Jack Culberson, Houston agent, who opposed the plan, saying the Texas standard form meets the needs of agents.

Upper Midwest General Agents Meet at Fargo

Upper Midwest Managing General Agents Assn. had its semi-annual meeting in November at Fargo, N. D. The social feature was a wild game dinner provided by the E. P. Cosgriff Co. of Fargo. General agents were on hand from Minnesota, North Dakota, South Dakota and Wisconsin.

Open House Fetes Move

American Automobile and Associated Indemnity held an open house at their Cincinnati branch to celebrate the move to larger quarters at 2700 Gilbert avenue. The branch is man-

aged by resident vice-president W. F. Wratten, who was recently transferred from Hartford, Conn.

Company executives from St. Louis who attended the event were Robert Z. Alexander, president; Harvey R. Bowditch, executive vice-president, and Charles S. Cotsworth, Donald P. McKay, Fred W. Perabo and Ferd M. Cook, all vice-presidents. Thomas B. McDonough, resident vice-president at Cleveland, also attended.

Bafler in New Field

B. L. Bafler has been appointed special agent in Texas, Arkansas and Oklahoma for the Central Mutual Casualty with headquarters at Dallas. He has been with Grain Dealers Mutual and before that was with a local agency.

Will build any size office building to suit you, on my vacant property. On a Detroit main street, adjacent to entrance and exit of new expressway system. Inquiries invited.

B. GORMAN

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A Service Guide A

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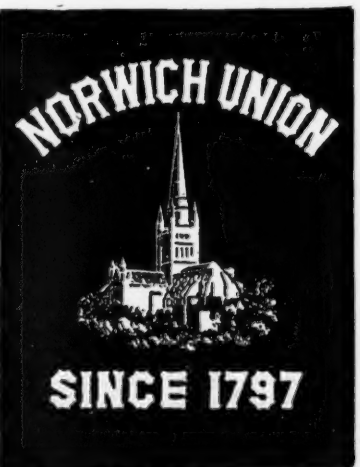
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Montreal, Canada



Old Doctrine Being Used to Increase Ship Owner Liability in Modern Times

Deficiencies in judicial administration in maritime cases can be cured by overcoming the apathy of the courts toward changing outmoded rulings, Edward C. Holden Jr., president of U.S. P&I agency and vice-president of Marine Office of America, told Baltimore Claim Men's Assn.

An example of either lack of understanding, apathy or mental inflexibility is the blind obeisance given the rule laid down by Justice Story in *Harden vs. Gordon*, which states: "Every court should watch with jealousy an encroachment upon the rights of seamen, because they are unprotected and need counsel. Courts of maritime law have been in the constant habit of extending towards them a peculiar, protecting favor and guardianship. They are emphatically the wards of the admiralty."

The grounds for this doctrine have long since disappeared. It is a far cry from wards of admiralty to wards of the jury, he said. There is no honest, legitimate reason today why seamen should not be treated like any other class of men, Mr. Holden said. It is time for the courts to act.

In line with new, creative ideas in the maritime business it would be advantageous to establish admiralty courts in the U.S. separate from the general practice of having federal court judges sit on all types of cases, he suggested.

The federal courts have consistently held that there is a warranty of seaworthiness as to hull and gear, he pointed out. It has never meant that the ship shall withstand every violence of wind and weather; all it means is that she shall be reasonably fit for the voyage in question.

Now the federal courts have come up with a new interpretation of the warranty of seaworthiness as to the crew. Applied to seamen, such a warranty is not that the seaman is competent to meet all contingencies but that he is equal in disposition and seamanship to the ordinary men in the calling.

The owner builds and operates the vessel in his own manner, but he does not hire the men, generally speaking, through his own volition. They must be obtained, pursuant to union agreement, from the union hiring halls. The owner has no direction and control over hiring seaworthy men. This is a condition which the courts apparently fail to understand or consider, Mr. Holden said.

For instance, the trial judge in *Keen vs. Tankships* made a decision favorable to the ship owner in a case where the plaintiff, an able seaman, had been ashore drinking with the second cook, with whom he had been quite friendly throughout the voyage. But upon their return to the vessel they engaged in a personal argument and Keen struck the cook and knocked him down. The cook went to the galley, obtained a meat cleaver, returned, and fractured Keen's skull.

The trial judge, in refusing to hold that the shipowner in effect guaranteed the temperament of every crew member, stated: "I think the American merchant marine could go and fold up if we ever imposed an obligation of that sort." On appeal, the court granted a new trial. It held that knowledge of the assailant's temperamental unfitness by the defendant was unnecessary. Judge Hand, who wrote the opinion,

stated that the ship owner is responsible for the unseaworthiness of his ship in respect to personnel in the same sense as of hull and gear. More particularly, he stated that the ship owner warrants "that a seaman is equal in disposition and seamanship to the ordinary men of his calling."

Though the court enunciated and judicially created a new doctrine of li-

ability without fault, the U.S. Supreme Court declined to grant certiorari.

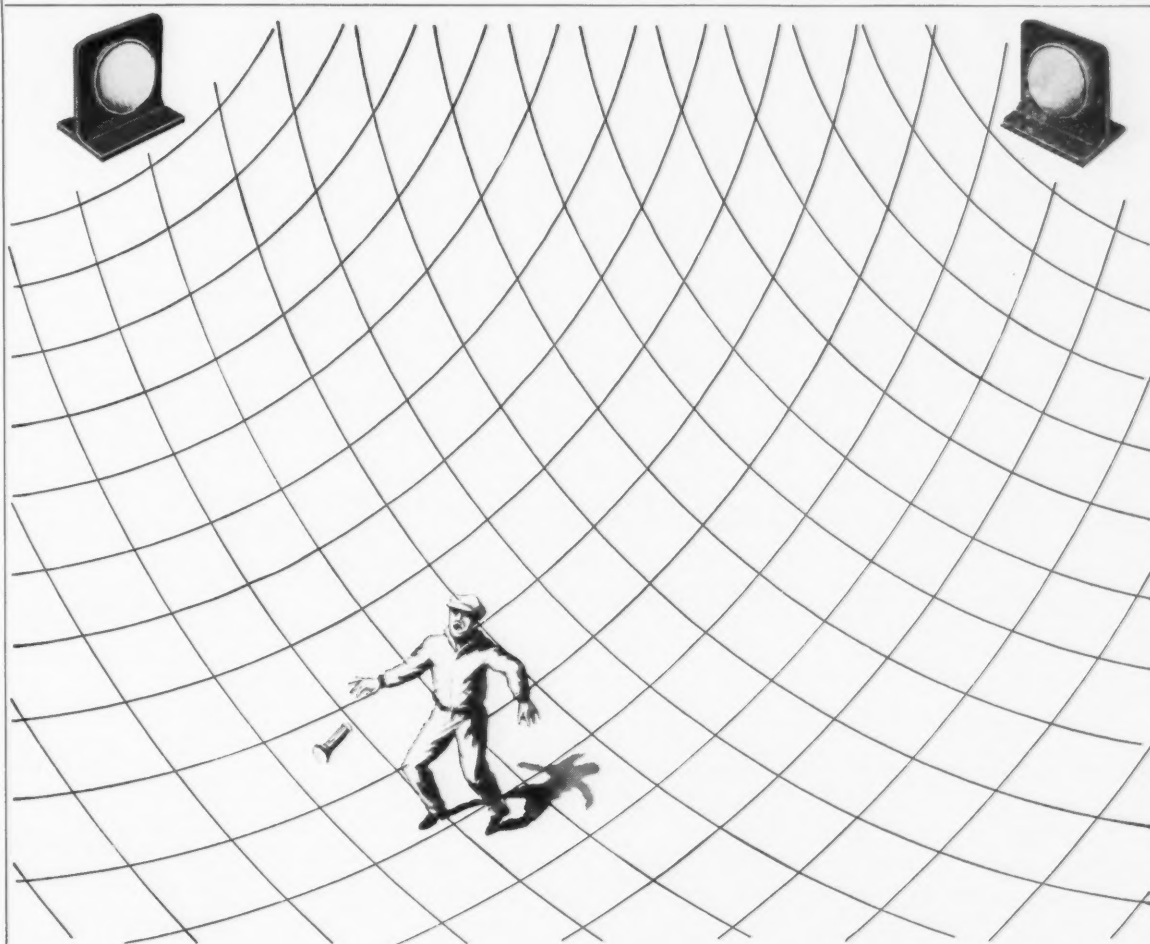
The incomprehensive part of the opinion written by Judge Hand is, in Mr. Holden's opinion that, "substantially all maritime risks are insured, and if we must suppose that the addition of this risk will show in the premiums, in the end it will be likely also to show in freight rates; and so far as it does, the recovery will be spread among those who use the ships."

American owners are thereby placed

at a competitive disadvantage with foreign ship owners who do not have to bear such costs, Mr. Holden said. The judge may not have known that freight rates are fixed by international shipping conferences, he said. Furthermore, even if that were not so, shippers of cargo favor companies quoting lower rates, not higher. The economics and complexities of the shipping business apparently were not considered, Mr. Holden said.

In the case of *Jones vs. Lykes Brothers Steamship Co.*, Judge Murphy ex-

(CONTINUED ON PAGE 32)



THIEVES CAN'T CRASH THIS SOUND BARRIER!

Here is foolproof burglar protection — a Kidde-built system that floods a protected area with sound waves too high to be detected by the human ear. If a thief tries to break through doors, windows, floor or ceiling, he disturbs the ultrasonic wave pattern, triggering the system instantly! Even a "lock-in" doesn't stand a chance. After the system is turned on, his first move instantly sounds the alarm.

Simple, compact and tamperproof, the Kidde system is the best protection available today. Unlike ordinary perimeter protection, it guards every single inch of the protected area, giving complete wall-to-wall, floor-to-ceiling coverage.

The Kidde Ultrasonic Burglar Alarm System cannot be bypassed in any way, cannot be put out of commission without giving an alarm. It is portable, plugs into any standard electrical convenience outlet, is easy to install, simple to operate. Properly installed, the Kidde system qualifies for an Underwriters' Laboratories Number Two Certification.

Get more information about this exciting new kind of burglar protection. Write today for Kidde's Ultrasonic Burglar Alarm Booklet or contact your U.L.-approved Central Station or local alarm company.



These basic units of the Kidde Ultrasonic Burglar Alarm System will completely protect up to 4,000 square feet of space, depending on the installation.

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Fireman's Fund Sets Up Three New Territorial Units

Fireman's Fund group has established new multiple line departments with headquarters in New York, Boston and Dallas, and has made territorial



J. R. MacKay



A. T. Fleischhauer

al realignments in eastern and southern states effective Jan. 1. The new departmental offices will have territorial jurisdiction over all lines.

Vice-president Arthur T. Fleisch-

hauer will be manager of the newly created eastern department with headquarters in New York. He will be assisted by Henry E. Knoblock, Woodward Melone, Clifford E. Deming and Sherman G. Drake, who have been named resident vice-presidents of all companies. The states under jurisdiction of the new eastern department are New York, New Jersey, Connecticut, Pennsylvania, Delaware, Maryland, West Virginia, District of Columbia and Puerto Rico.

The New England department will be headed by James R. MacKay who has been named resident vice-president and manager of all companies. The new department, at Boston, will have jurisdiction over Massachusetts, Rhode Island, Maine, New Hampshire and Vermont. Alfred A. Muller will continue as assistant manager in the new multiple line department.

Rufus W. Harvey, Jr., has been named resident vice-president and manager of the new southwestern department in Dallas. Assisting him in the supervision of all business in Texas, Oklahoma, Louisiana and Arkansas will be Philip Pitts, William Iliff and Henry Meador.

Thomas E. Sims Jr. has been appointed resident vice-president of all companies and will continue to manage the southern department, consisting of Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama and Mississippi. He will be assisted by



T. E. Sims Jr.



R. W. Harvey Jr.

Spencer S. Brewer, associate manager. Freeman Dance Jr., and John L. Erl continue as assistant managers.

Vice-president John H. Dillard will have executive supervision over the new eastern, New England and southern departments, while the new southwestern department will be under the executive jurisdiction of Vice-president Edward D. Lawson. The Pacific, Pacific Northwest and southern California departments will continue under the executive supervision of Vice-president L. W. Niggeman.

Northern of New York Opens Texas Service Unit

Northern of New York and Assurance of America are opening a service office at Dallas under the supervision of Horace N. Foster and William G. Dodge. The new office, in the Tower Petroleum building, will service north, east and west Texas.

Maus Chairman, Smith Executive Head of Marsh & McLennan

William D. Maus has been elected chairman of Marsh & McLennan, and Hermon D. Smith has been made chief executive officer. Mr. Maus is at the New York office of M.&M., and Mr. Smith is at Chicago. They succeed to the duties of the late Laurence S. Kennedy, who held both positions until his death.

Mr. Maus was with Northwestern F.&M. from 1911 to 1916, when he joined the Minneapolis office of Marsh & McLennan. In 1921 he transferred to New York. He was elected a vice-president in 1930 and a director in 1945. He succeeded Laurence Kennedy as executive head of the New York office and in 1951 was elected executive vice-president with responsibilities for the eastern offices and New York.

Mr. Smith was elected president of Marsh & McLennan in June of this year prior to which he had been executive vice-president in charge of the Chicago and midwestern offices. He began his business career with the Northern Trust Co. in 1922 and was 2nd vice-president when he joined M. & M. in 1928. He became vice-president in 1931, director in 1944 and executive vice-president in 1949.

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Ark. Agents Adopt Three Point Policy Program at Midyear

Stresses Increased Activity in Education, Public Relations and Legislation

By H. A. RITGEROD

LITTLE ROCK—A three-point program of basic policy of education, public relations and legislation, designed to increase the effectiveness of the agency system in Arkansas against the growing challenge from non-agency and direct writer competition, was adopted by Arkansas Assn. of Insurance Agents at its mid-year meeting here this week. The action came after an address by President Simon Joseph, Pine Bluff, entitled "Where Do We Go From Here?" in which he reviewed some of the associations past accomplishments and charted a number of guideposts for its future growth and development.

Calling for a renewed sense of unity in agency ranks, Mr. Joseph said, "Let's band ourselves together and face, with a solid front, this complete revolution we are undergoing in our industry today." He proposed a broad educational program within agency ranks for an understanding by the membership of association affairs, for an exchange of insurance "know-how" and how to combat present competition.

His second proposal was for a sound public relations program "to let the public know what the Arkansas association is and what it stands for. We need to inform the public that we are serving their needs as agents," he said. His third point was the development by the AAIA of a positive legislative program with a new legislative committee which would function in off-legislative years as well as in legislative years.

He also called for a stabilization of the association's executive-secretaryship on a career basis, pointing out the organization had had five managers in the short space of 13 years. "Fire and casualty premiums in Arkansas amount to a \$55 million annual business, a great proportion—some say as high as 70%—are written by members of this association. Yet our dues income is less than \$18,000 per year. Isn't it ridiculous for the association to try to keep you informed and represent your interest and that of the insuring public in a \$55 million business for such a trifling amount?" he asked. He offered a number of recommendations for increasing association income.

The morning business session for members only with Vice-President A. J. Johnson, El Dorado, presiding also heard a number of mid-year reports from the association's standing committees. Thompson Hargraves, Jr., Helena, qualification committee chairman, reported that his group was working with the insurance department for a better procedure in handling agents' examinations and for raising the standard of the exam. He outlined committee plans looking toward future legislation to strengthen the present qualification law and was given a rising vote of approval by the audience.

George Frazier, Hope, chairman of the advertising committee, urged continuation of all agents in the NAIA "insuror insured" campaign, stating that

15 out of the association's 21 local boards were active in the drive. The committee, he said, wants to synchronize "insuror insured" advertising in out-state papers with that of large metropolitan dailies, and has under study the development of advertising kits for local boards and local agents.

The casualty committee is still working on the problem of commissions on workmen's compensation assigned risks, Chairman Sterling Cockrill, Jr., Little Rock, reported. He said the committee also had under study unauthorized rate deviations of a casualty carrier and were watching a proposal of the automobile dealers of Arkansas in which they would organize a reciprocal for writing their own workmen's compensation.

State National Director Lawrence Derby, Warren, reported briefly on recent work of the NAIA, particularly through its Washington office, and, then, in capacity as conference committee chairman explained that the conference group had under study problems relating to revision of the school form and extension of term

rates of all reporting business.

Bill Brown, Rogers, chairman of traffic safety committee, urged sponsorship of driver education courses in high schools by members, and Robert Davidson, Jonesboro, who headed a special committee on association financing, outlined a new dues schedule which, if adopted, would raise association income to about \$25,000 per year.

Insurance Commissioner Harvey G. Combs, guest of the association at its luncheon session, in a short address, told the agents "that the time has come when the insurance departments should take some positive action to protect time buyers of automobiles and other merchandise from the abuses of hidden overcharges in insurance.

"I feel strongly that the insurance department should recommend legislation to outlaw, in connection with sales of automobiles, any 'package deal', lumping finance charges and insurance costs in one confusing figure," he said.

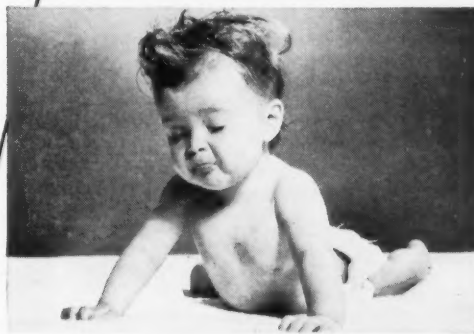
"Investigation has disclosed that more than one insurance company has

misclassified about 70% of the car buyers and charged a rate approximately 30% higher than should have been charged for collision insurance," he continued. "The average man who buys a car on time does not know what his insurance is costing him. He is told that his payments will amount to so much per month, and quite often, in his package deal, he is led to believe that he also has liability protection." He said there should be a statute requiring car dealers to list insurance costs separately on installment contracts filled out at the time of the purchase of an automobile.

The general session on Monday afternoon was devoted entirely to the questions of local agency advertising and ways and means of using the word "insuror" as a method identifying the professional, independent local agent. Robert M. Cooper, Ph.D., account executive, Merrill Kremer, Inc., Memphis, outlined the underlying principles of local agency advertising and pointed out that local agents have a "lot of extras" to sell which their non-agency

(CONTINUED ON PAGE 18)

APPEALS TO MOST EVERYONE

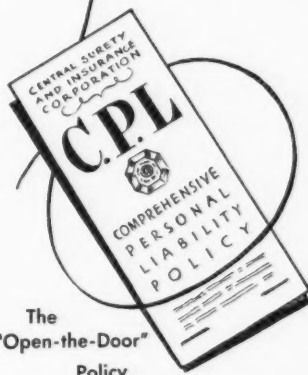


A baby and our COMPREHENSIVE PERSONAL LIABILITY Policy... have a lot in common.

Both appeal to most everyone—

A lot of insurance for little money... that's CENTRAL SURETY'S CPL (Comprehensive Personal Liability) Policy. Basic policy provides \$10,000 bodily injury and property damage... medical expense up to \$250... \$250 Voluntary Property Damage... all for one premium charge. Limits can be increased to fit the needs of your client.

A most essential coverage that will give you entry into a man's office (or home)... a sure opportunity to develop other business.



The "Open-the-Door" Policy

Central Surety offers FIRE... CASUALTY and BOND coverage, with the kind of service that builds prestige and holds customers.

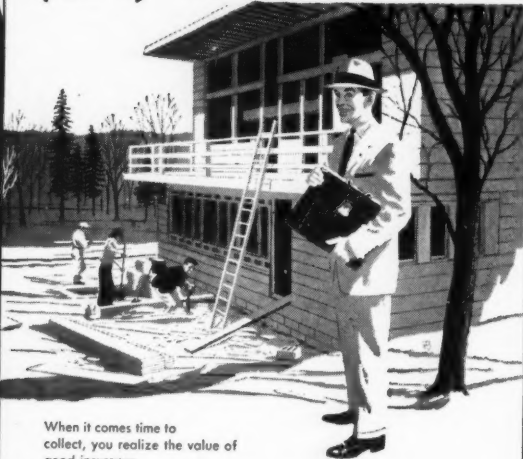
CENTRAL SURETY AND INSURANCE CORPORATION

HOME OFFICE—KANSAS CITY 41, MISSOURI

HOW
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CONVINCE
YOUR
PROSPECTS

FOR QUALITY PROPERTY INSURANCE, SEE YOUR HOMETOWN AGENT!

the bill came to \$2,042,803,288
(Over two billion dollars)
paid by THE HOME



When it comes time to collect, you realize the value of good insurance.

Many thousands of people—homeowners, businessmen, farmers—have made this discovery about The Home Insurance Company. Through the burning of cities, windstorms and other disasters, The Home has paid—big losses and small—promptly and fairly.

The value of the services of The Home can be measured by the size of the bill—over two billion dollars paid out in losses since 1853.

Equally important have been the human, devoted and skilled services of the agents of The Home. Without them, this record could never have been attained.

For your protection, it's wise to see your own Home agent.

THE HOME
ORGANIZED 1853



Insurance Company

Home Office: 59 Maiden Lane, New York 8, N. Y.
FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes
Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

The Home Insurance Company's new advertisement dramatically illustrates the point about insurance that most interests the policyholder—prompt and fair claim settlement. One of the most powerful sales factors you have working for you is the prospect's knowledge that you render the same skilled service after a loss as you do in the original selling.

Convention Dates

Dec. 14, Eastern Underwriters Assn., annual, Biltmore Hotel, New York.
Dec. 28-29, American Assn. of University Teachers of Insurance, annual, Hotel Roosevelt, New York.

1956

Jan. 9, International Federation of Commercial Travelers, midyear, Edgewater Beach hotel, Chicago.
Feb. 22-24, Michigan Assn. of Insurance Agents, midyear, Sheraton-Cadillac hotel, Detroit.
March 5-7, National Assn. of Surety Bond Producers, annual, Roosevelt hotel, New Orleans.
March 7-8, Fire Underwriters Assn. of the Pacific, annual, Sheraton-Palace hotel, San Francisco.
March 9-10, State Mutual Agents Assn. of Pa., annual, Ben Franklin hotel, Philadelphia.
March 22-24, Texas Assn. of Mutual Insurance Agents, spring meeting, Austin.
March 23-24, Assn. of Insurance Attorneys, annual, Atlanta, Ga.
March 26-27, Far West Agents conference, annual, Sheraton-Palace hotel, San Francisco.
April 5-7, Southern Agents Conference, Francis Marion hotel, Charleston, S. C.
April 8-10, National Assn. of Insurance Agents, midwest territorial conference, St. Paul.
April 8-10, Mutual Agents Assn. of New York, annual, Hotel Syracuse, Syracuse.
April 14-15, Colorado Insurers Assn., annual, Broadmoor hotel, Colorado Springs.
April 14-15, Rocky Mountain Territorial Conference, Broadmoor hotel, Colorado Springs.
April 16, Rhode Island Assn. of Insurance Agents, midyear, Sheraton-Biltmore hotel, Providence.
April 16-17, Iowa Assn. of Mutual Insurance Agents, annual, Hotel Savery, Des Moines.
April 22-25, Eastern Agents Conference, annual, Hotel Statler, Hartford.
April 23-25, National Assn. of Insurance Agents, midyear, Hotel Statler, Hartford.
April 30-May 2, Chamber of Commerce of the U.S., annual, Washington, D. C.
April 30-May 2, Iowa Assn. of Insurance Agents, annual, Hotel Savery, Des Moines.
May 3-5, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.
May 3-5, National Assn. of Independent Insurance Adjusters, annual, San Souci hotel, Miami Beach.
May 6-8, Alabama Assn. of Insurance Agents, annual, Whitley hotel, Montgomery.
May 7-8, New York Assn. of Insurance Agents, annual, Syracuse.
May 7-9, Board of Fire Underwriters of the Pacific, Santa Barbara Biltmore hotel, Santa Barbara.
May 10, Surety Assn. of America, annual, New York.
May 10-12, Florida Assn. of Insurance Agents, annual, George Washington hotel, Jacksonville.
May 13-16, H&A Underwriters Conference, annual, Hotel Statler, Boston.
May 14, National Bureau of Casualty Underwriters, annual, New York.
May 14-15, Kentucky Assn. of Insurance Agents, Western District, Kenlake State Park, Harbin.
May 14-15, Oklahoma Assn. of Insurance Agents, annual, Mayo hotel, Tulsa.
May 16-18, National Assn. of Insurance Brokers, Boston.
May 17-19, North Carolina Assn. of Insurance Agents, annual, Hotel Carolina, Pinehurst.
May 17-19, Texas Assn. of Insurance Agents, annual, San Antonio.
May 17-19, Arkansas Assn. of Insurance Agents, Arlington hotel, Hot Springs.
May 20-22, Insurance Accounting & Statistical Assn., Hotel New Yorker, New York.
May 20-23, Inland Marine Underwriters Assn., annual, Shawnee Inn, Shawnee, Pa.
May 20-23, Inland Marine Insurance Bureau, annual, Shawnee Inn, Shawnee, Pa.
May 21-22, Kentucky Assn. of Insurance Agents, Eastern District, Cumberland Falls State Park, Corbin.
May 21-23, American Assn. of Managing General Agents, annual, Shamrock hotel, Houston.
May 23, Midwestern Independent Statistical Service, annual, Bismarck hotel, Chicago.
May 23, National Automobile Underwriters Assn., annual, Roosevelt hotel, New York.
May 23-25, Georgia Assn. of Insurance Agents, annual, Oglethorpe hotel, Savannah.
May 24, National Board of Fire Underwriters, annual, Hotel Commodore, New York.
May 28-29, Georgia Assn. of Mutual Insurance Agents, annual, King & Prince hotel, St. Simons Island, Ga.
May 27-30, Virginia Assn. of Insurance Agents, annual, Hotel Chamberlain, Ft. Monroe-Old Point Comfort.
June 4-8, National Fire Protection Assn., annual, Boston.
June 10-12, Maryland Assn. of Insurance Agents, midyear, Commander hotel, Ocean City.
June 10-12, Insurance Advertising Conference, annual, Skytop Lodge, Skytop, Pa.

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We're with you — every step of the way. This Company specializes in Boiler and Machinery Insurance, and since 1866 has maintained leadership in this highly technical field. Today, a nationwide organization of *specialists* is at your service, to provide —

1. Expert underwriting assistance by Company Special Agents.
2. Careful inspection of insured equipment by Company Field Inspectors, skilled in detecting conditions that might cause accidents.
3. Prompt and capable on-the-spot assistance if an accident should occur — to promote quick and competent settlement of claims — to help speed rehabilitation.

Your boiler and machinery insurance clients will value this extra service — and you can make sure they have it.



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**HARTFORD STEAM BOILER
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and INSURANCE COMPANY**

Hartford 2, Connecticut

**THE OLDEST INSURANCE
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55 FIFTH AVE., NEW YORK

Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Calls Good Management Key to Proper Balance Between Service and Agency Profit

Cut-price competition, more effective selling and how to maintain a proper balance between agency service and net profit are the three most important problems facing the agency business today, according to William S. Chandler, vice-president in charge of the sales development department of Phoenix-Connecticut group.



W. S. Chandler

The best way for the individual agent to solve these problems while maintaining a high net profit, he told Illinois agents at their convention in Chicago, is to adopt the practices followed by agents whose caliber of management has placed them in a net profit bracket so far above the average that their methods warrant consideration.

"Modern merchandising methods are the answer to cut-price competition," he said. "The customer is pre-sold by massive and effective advertising campaigns using every available media and accompanied by a sustained personal solicitation program. The phenomenal results thus gained are factual proof of the tremendous value of these methods in the merchandising of insurance today."

Mr. Chandler said an examination of several thousand sets of agency operating cost figures during the past five years showed the average agent spends less than 3% of his gross income for advertising of any kind. He said advertising "works effectively for the super-market type of direct writer and has an equal chance of working for the local agent."

He said it is not sufficient merely to have service facilities available. "These services must be demonstrated, identified and publicized so that they gain public recognition and confidence. The value of the product itself must be emphasized," he said, "so that there is no doubt in the public's mind that the brand of insurance purchased through a local agent is the best buy."

He said competing on the same grounds as the non-agency companies—using cut-price and do-it-yourself tactics—is the shortest road to disaster for the agency system. The most intelligent thing to do, he said, is to stick with the present agency system, which can be perpetuated by giving insured the type of personal, friendly and professional service that is calculated to justify a reasonable difference in cost between the chain store operator's

price and that of the local agency.

"The big problem, is to organize an agency so that there is enough time for the agent to perform a combination sales and service job. When the number of accounts exceeds the break-even point of adequate service," he said, "the only alternative is to add to the agency staff."

Mr. Chandler said although price plays a tremendously important part in the competitive battle, its appeal will win only in the absence of a high grade of personal service. He said it is here that the local agent possesses his most effective weapons—his personality and knowledge of the business.

"One of the best methods of solving the problem of more effective selling," he said, "is by asking more people to buy."

Mr. Chandler urged agents to use visual selling methods, which "have proven their power in every field of salesmanship—especially life insurance." He said visual selling captures the prospects attention, insures an effective sales presentation, helps find new prospects and educates them on the value of insurance, increases the number of sales per interview and saves interview time, increases the probability of renewal and carries five times the impact of the spoken word.

He urged the expansion of account selling, with emphasis on package policies, to all accounts having sizable premium potentials. To accomplish the twin objective of proper coverage for each client and new premiums for the agency, Mr. Chandler advocated use of a combination account solicitation plan and written sales effort record which provides a review of a client's insurance needs and shows previous sales efforts made.

"Strategic planning is the first step in maintaining a proper balance between agency service and net profit and still providing professional assistance to all accounts," Mr. Chandler said. "One of the greatest deterrents to strategic planning is the inability to transfer attention from the immediately urgent to the ultimately important."

He said cost studies have shown that the wide variations in net profit percentages of agencies operating under similar conditions are directly related to the quality of management and its ability to instill in all agency personnel a keen interest in profit creation and conservation. "Two of the greatest drags on agency net profit," he said, "are poor selection and lax administration of personnel resulting in substandard work output and frequent turnover." He said agents in the high profit brackets have less but better

qualified help, pay higher salaries and have fully mechanized offices.

"Lack of executive time," he said, "has accounted for the fact that the majority of customers now receive the highly-advertised professional agency service either by mail or phone."

He said there is a limit to the extent of personal service an agent can actually give and still maintain a fair net profit, but urged use of a "longer yardstick for service than for profit in measuring this limit." He said the ability to determine the point where expenses can be controlled or reduced without slowing sales and service momentum is one of the "priceless ingredients of management."

Mr. Chandler said his company had surveyed a group of agents with premium volumes ranging from \$300,000 to \$2 million to determine their opinions on the 12 most important phases of management. The agents said management must: 1) maintain detailed agency operations cost data; 2) hire the best-qualified help available and train them to serve and sell; 3) reduce lost motion and duplication of records by modernizing office systems and layout; 4) mechanize wherever labor saving is possible; 5) establish a sales program designed to sell "accounts" with emphasis on sale of package policies; 6) establish a tested collection control system; 7) render the best claim service possible; 8) build agency prestige by giving quality service; 9) rid agency principals and solicitors of office detail; 10) have a definite program for perpetuation of the agency; 11) give priority to all matters having the greatest effect on agency service and profit, and 12) work like hell and advertise!

"The list could be amplified considerably," he said, "but the key to achieving a proper balance between service and profit lies in the application of these methods and principles. With rapid changes in methods of merchandising and the bitter competition faced by the American agency system, it will require greater competency, individual productivity and an exceptional grade of professional service from its members to stay on top."

Plans to Hire Retired Men

DiServio & Sobrito agency at Richmond, Va., is seeking retired men as new agents. N. J. Sobrito, 38, said he thought retired men who could meet the qualifications of a pleasant appearance, a good mind and a genuine liking for people would be able to sell a great deal of insurance with less effort than younger men. When a young man goes out to sell, he raises in the prospect's mind the question of whether he knows what he's doing, but the older men are given the benefit of the doubt and the prospect assumes they know what they're doing, he said. He also believes that the older person wouldn't have to work so hard because he would probably have other income.

Museum Head Praises Ultrasonic Alarm

"Providing adequate burglar, intrusion or vandalism protection for public buildings, particularly museums, is a real problem for their executive staffs", according to H. Maxson Holloway, assistant director of the 99-year-old Chicago Historical Society.

He said vandalism is the most tragic of the three acts since priceless objects may be damaged beyond repair. Frequently the act is wanton and apprehended vandals can offer no reason for their acts except impulse.

The thief has a motive for his act and usually the art object is handled with care and in time reappears in the market.

The intruder in a restricted area wants to feel a fabric, handle an ornament or get a closer view of an interesting display. He soils the display or causes accidental or unintentional damage rather than thievery or point-less destruction.

"Our guards do a superb job of overcoming these dangers and holding losses to a minimum," Mr. Holloway said. "However, guards can't be everywhere at once."

The society was faced with the problem of protecting five display rooms on the same side of a corridor which is out of sight of the central hall where guards are stationed. The society had been troubled by unauthorized entry into these rooms when guards were not in a position to observe the action.

These rooms are: The Lincoln parlor, which is a replica of the parlor in the Lincoln home at Springfield and contains much of the original furniture; the Lincoln bedroom, which is a replica of the room to which Lincoln was taken after having been shot and in which he died and contains much of the original furniture; apothecary shop, typical of Chicago in the late 19th century; a Chicago dental office and reception room, typical of Chicago in the 1800's; and a 19th century dining room which authentic furniture, fixtures and furnishings. In each case the full sized rooms have a low guard rail which blocks entry into them for more than a foot or two.

As a test the society asked Walter Kidde & Co. to install a Kidde ultrasonic burglar alarm in the Lincoln parlor and bedroom.

The equipment includes two inconspicuous elements about the size of half a grapefruit which were hidden on opposite ends of each room. One of the elements transmits ultrasonic waves at a frequency of 19,200 cycles per second while the other receives the signal. This sound frequency is too high for the human ear to detect. Both elements are connected to a master control or "brain" which continuously

(CONTINUED ON PAGE 19)

Ark. Agents Adopt Three Point Policy Program

(CONTINUED FROM PAGE 15)

competition does not have. "You are home town merchants, you sell the best insurance, and you have real service to sell—personal, interested, friendly, and attentive service," he said. He described the campaign of Memphis agents in pushing the word "insuror" and exhibited a number of their current ads.

Howard Hutson, Denver, in detail, explained how members of the Colorado association planned and executed a statewide campaign to establish the name "insuror" for the use of Colorado agents. "The legitimate agent needs a new title," he said. "With employees of a mail order house calling themselves 'agent'—and solicitors of specialty

companies being called "agents"—and in some states where part-times such as barbers, mechanics, school teachers, etc. dabble at being "agents" is it any wonder that the word "agent" is only a confused smear in the minds of the public?"

"The full-time career man in this business of ours needs a new and different designation, representing him as a qualified professional man—whose knowledge and word can be depended upon—a leader in his community and who subscribes to a code of ethics—his own man, doing his own thinking and not dictated by some cut-rate employer," he continued. "His title must be one that cannot be usurped or imitated by others."

He stated that the word "insuror" is developing public acceptance in

Colorado, and in addition, the Colorado association has found two valuable results which it did not anticipate, namely, that the campaign of the association to establish the word "insuror" generated an unusual spirit of cooperation among members and that it is proving to be a powerful weapon in the recruiting of new members.

A distinguished visitor at the 23rd annual mid-year meeting was R. W. Rightsell, Little Rock, one of the association's two living charter members, who helped to found the association at a meeting in the Marion hotel on June 12, 1901. Mr. Rightsell was accorded a rising vote of applause by the audience.

A cocktail party Friday night concluded the mid-year meeting activities.

National Underwriter Veterans Retire

(CONTINUED FROM PAGE 2)

fell off a ladder and cracked a vertebrae in his neck. Such an injury would have incapacitated most men for a long period of time. However, Mr. Fredrikson shortly was back on the job wearing a special neck brace, which, after several months, became a kind of trade mark.

He and Mrs. Fredrikson plan to take an extended vacation trip through the western part of the country.

Mr. Fredrikson made many friends during his years in the Philadelphia territory. Last week he was given a farewell party by W. H. Leonhart of Leonhart & Co., Baltimore, at Baltimore, which was attended by a number of his friends. Guests included Harry M. Gibbs Jr. of Employers' group, A. Reid Johnson of New Amsterdam Casualty, Howard C. Johnson of U.S.F.&G., J. R. Leizure of J. R. Leizure Insurance Adjusters, Thomas F. McNulty, president of WWIN and Belvedere Broadcasting Corp., J. Wilson Mainster, president of Leonhart & Co., John Roane, head of the adjusting firm bearing his name, Leonard A. A. Siems, vice-president Fidelity Baltimore National Bank & Trust Co., E. Stuart Windsor, executive vice-president of Riggs-Warfield-Rolason, Charles P. Woods, sales director of the National Underwriter Company, Ralph Doolittle of John Roane, Inc., Mr. Zoll, Columbus K. Oakley, manager Assn. of Fire Underwriters of Baltimore City and executive secretary Maryland Assn. of Insurance Agents, J. S. McEachern, president McEachern & Co., Andrew J. Hessler of Leonhart & Co., Albert C. Adams, general agent of John Hancock Mutual, Baltimore, F. John Barclay, vice-president of Maryland Casualty, Presley D. Bowen of the Poor, Bowen, Bartlett & Kennedy agency, Baltimore, William D. Elliott of Oakeley, Vaughan & Johnston, reinsurance intermediaries of Baltimore, Harry F. Ogden, retired president of Fidelity & Guaranty, H. Clay Dodson,

American Health, J. Walter Hamilton, Emil K. Meacham, manager of New York Life, F. Addison Fowler of Fowler-Leonhart & Associates, George S. Robertson, Maryland Assn. of Insurance Agents, Jimmy Judge (entertainer) and Joseph X. Harris of Lincoln National Life.

Mc Falls Agency to Become Part of Employers Fire

The New York City agency of R. B. Mc Falls & Son, which has been one of the outstandingly successful operations of its kind since it was founded, more than 50 years ago, on Jan. 1 will become a part of the fire and inland marine department of Employers Fire under the management of Robert Eager, who is in charge of the fire and inland marine department of the company for the state.

The Mc Falls agency has represented Employers Fire since it entered New York in 1924. The acquisition of the Mc Falls office, with its large staff and wide production activities in the New York City insurance field, will substantially augment the production capacity of Employers Fire in these lines.

The staff will continue under the aegis of Employers Fire. However, David S. Mc Falls, president of the agency and son of R. B. Mc Falls, who took over the agency in 1918, then known as John G. Simmonds & Co., and Henry F. Lahr, vice-president, will announce new plans after the first of the year. Mr. Mc Falls is a past president of New York City Assn. of Insurance Agents. He has been with the agency since 1934. That was the year also that Mr. Lahr joined the agency.

Home Service Casualty Put in Receivership

AUSTIN—District Judge Betts has declared Home Service Casualty of Dallas insolvent. The company accepted receivership.

Home Service was organized about a year ago through the merger of two former Lloyds organizations. It now reportedly has more than \$90,000 of unpaid claims with less than \$2,000 in cash on hand. The company was capitalized at \$300,000 and as of May 31 claimed assets of \$1,052,780, mostly in mortgage loans. Harry S. Williams, deputy state liquidator, has taken over the company's affairs. The only witness at the brief trial was Tom Robinson, department examiner, who testified that as of May 31 the company was insolvent to the extent of \$157,215.

Midwest Buyers Hold Party

Midwest Insurance Buyers Assn. will hold its Christmas party, Dec. 15, in Charter Hall of the Chicago Bar Assn.

Group Service in One Company

AUTOMOBILE

FIRE AND EXTENDED COVERAGE

ALL FORMS CASUALTY

FIDELITY AND SURETY BONDS

AVIATION

NATION-WIDE CLAIM SERVICE

AMERICAN FIRE AND CASUALTY COMPANY

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A. E. STRUDWICK, President

E. W. BLANCH, Vice-Pres.

THOS. M. DARDEN, Vice-Pres.

810 BAKER BLDG., MINNEAPOLIS 2, MINN.

Ultrasonic Alarm Is Praised by Museum Head

(CONTINUED FROM PAGE 17)

compares the transmitted signal with the signal being received.

As long as the room is unoccupied beyond the guard rail or no foreign element is introduced, the flood of ultrasonic sound remains constant. However, if the room is entered beyond the rail, the supersonic wave length is changed by this action and causes the master control to signal an alarm at the central guard station. In a matter of seconds a guard can be at the scene and apprehend the unsuspecting thief, vandal or intruder.

Mr. Holloway explained that the fire detecting ability of the ultrasonic equipment also impressed Society executives. These rooms contain considerable quantities of inflammable materials such as lace which cannot be fireproofed and still retain an authentic quality. If a fire occurs, the flame causes a frequency change similar to that caused by an intruder and an alarm signal would be triggered immediately.

The ultrasonic alarm was so successful in detecting intruders in the Lincoln rooms that the society subsequently provided ultrasonic coverage for other period rooms.

Combined of Chicago to Hold Managers Conference

Combined of Chicago will hold a week-long sales conference at the Fontainebleu hotel, Miami, Dec. 11-17 for more than 100 district and regional managers and their wives and children.

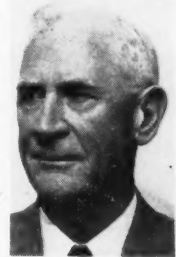
The sales meetings will emphasize

personnel procedures. Special entertainment activities have been planned for the some 150 wives and children who will attend.

Highlight of the entertainment is a deep sea fishing expedition on Wednesday for the managers and their families. Prizes will be awarded for the largest fish caught. On Thursday the entire group will attend a jai alai game.

Walter Watt Marks His 50th Insurance Anniversary

The Watt agency of Cleveland is holding open house Dec. 9 in honor of Walter E. Watt, president, who is marking his 50th anniversary in the business.



Walter E. Watt

Mr. Watt began in insurance selling A&H in Lima, O. He moved to Cleveland after a few years, adding other lines of insurance, and in 1918 his agency was incorporated. The present offices in the Heath

building were taken over in 1933. Mr. Watt was instrumental in founding Cleveland A&H Assn., serving as a director for 15 years and as president three different times. He also is active in the insurance board of Cleveland.

Mr. and Mrs. Watt celebrated their 50th anniversary early in November.

Wis. River Adjusters Elect

Wisconsin River Valley Adjusters Assn. has elected R. T. Leklen, Rural Mutual Casualty, as president; Paul Dolata, Aetna Casualty, vice-president, and Richard Desorcy, Hardware Mutuals, secretary-treasurer.

Land More!

Dubuque F&M MULTIPLE LINE FACILITIES Mean More Business... More Profit!

Dubuque F&M's multiple line facilities—available most everywhere—mean new prospects, new profits for you.

Now, you can sell insurance *across the board*. Multiple lines open new doors daily. Sale of one policy is the beginning... not the end.

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...from his normal course
of helping build your
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...to extend to all of his
agents and friends...



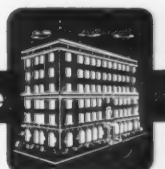
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represent The Kansas City—
a progressive company for progressive agents



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Insurance Company

301 West 11th Street • Kansas City, Missouri





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COMPANY, LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY

St. Louis Paper Calls End of Salvage Corps "Genteel Rate Gouge"

The decision of the fire companies to discontinue their sponsorship on Dec. 31 of the St. Louis Salvage Corps has provoked editorial displeasure on the part of the *St. Louis Post-Dispatch*, which in its Nov. 25 issue termed the move a "genteel fire insurance gouge." In an editorial, the paper says:

"One way or another, it seems, St. Louis probably will have to pay more for fire insurance. The 160 fire insurance companies which have maintained the salvage corps since 1874 have served notice on city hall that it will be discontinued on Dec. 31 unless the city takes it over. The cost of operating the corps is estimated at \$100,000 a year.

"If the city does not take it over, says the representative of the companies, residents of St. Louis and those county communities served by the corps can expect an increase in fire insurance rates. In other words, heads the community loses, tails the fire insurance companies win.

"The function of the three salvage companies which make up the corps is to answer fire alarms and, on the scene, to spread canvas covers over merchandise, furniture and the like and to take other measures to reduce fire damage while the blaze is being fought. This may be considered either as a service paid for by the fire insurance policyholders, or as a means of reducing the payments the companies must make to such policyholders. One way or another, the property owner pays.

"After more than 75 years of operation, the companies now say that the expense of this protection should be borne by the public. But they seem to have made no offer of reduced rates in proportion to the savings which thus accrue to them. They may well argue that \$100,000 divided among 160 companies hardly represents a windfall big enough to warrant rate reductions. By the same token, would it warrant increases in fire insurance rates which are already by no means cheap?

"Is the small gain by the companies sufficient to alienate the good will which this genteel boost in costs to the public undoubtedly would involve? It could start a good many people thinking how they might get adequate fire insurance rates on better terms."

The decision to eliminate the salvage corps was explained to a meeting of stock agents and brokers last week. The general reaction among the pro-

ducers was that the companies had "jumped the gun." However, it was stated the decision to quit operations was final.

John J. O'Toole, prominent St. Louis agent and a member of the corps executive committee, said the National Board has maintained salvage corps operations in 28 cities, but now feels the expense should be assumed by the public. In a number of cities the salvage corps have already been cut to 10, with others in addition to St. Louis scheduled for elimination.

A decision as to whether the city will take over and operate the corps after Dec. 31 will be made some time after Dec. 6 when the mayor returns to town. A committee representing the corps offered to sell to the municipality all of the equipment for \$1. A memorandum outlining operations and setting forth arguments of maintenance for the salvage corps by the city is being prepared. The building housing the corps and other real estate owned by it would not be involved in the deal with the city.

Insurance Securities Promoter Sentenced to Five Years in Mont. Jail

BILLINGS—Arthur V. Donaldson has been sentenced by federal court to five years in prison and a fine of \$3,000 for fraudulent sale of securities in forming Billings Holding Corp. preparatory to organizing Montana Mutual Health & Accident. The only assets remaining from the \$76,000 Donaldson had collected were \$1,000 in office equipment.

Donaldson was convicted on eight counts of fraudulent sale of securities, four of which involved the mails.

At one hot point in the trial, Donaldson testified that in 1950 he approached Commissioner Holmes of Montana to get some information about the insurance laws and was asked "What the hell do you want to start an insurance company for? We've got too many now."

Commissioner Holmes denied that he had ever spoken to Donaldson, and the judge said Mr. Holmes' testimony was evidence of Donaldson's "going the whole route" in denying everything and causing the government "great expense."

la. Mutual Group Elects

DES MOINES—Harry K. Larsen, German Mutual of Pomeroy, has been elected president of Iowa Assn. of Mutual Insurance Assns. Harry L. Gross, Iowa Mutual Tornado, was reelected for his 25th year as secretary-treasurer, and Merle D. Morgan, Square Deal, was elected assistant secretary.

L. R. Beatty, Muscatine Mutual, was named vice-president.

FOR MORE THAN A QUARTER CENTURY



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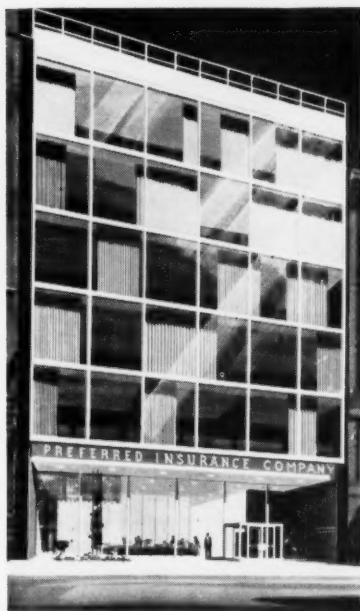


STUART BUILDING • SEATTLE, WASHINGTON

Preferred of Mich. Moves to New Home Office Building

Preferred of Grand Rapids this month is moving into its new home office building, which is one of the most modern in the country. The building, six stories high with an additional floor at the basement level, was designed by the noted architectural firm of Skidmore, Owings & Merrill. It is of reinforced concrete with the front constructed of stainless steel and glass. Air-conditioning, humidity controls and soundproofing have been installed throughout.

Preferred became a multiple line insurer early in 1954, and in January of 1955 began writing fire business. With the additional space in its new home office, the company plans to in-



crease its lines to include those in which it has been unable to engage because of its present crowded quarters. Preferred is represented in 1,615 agencies in 37 states and Hawaii, and expects to enter additional states and add to its organization as rapidly as its expansion program will allow.

Dixie, Philadelphia CPCU Chapters Elect

The Dixie CPCU chapter at Atlanta at its annual meeting elected R. K. Rice Jr. of General Adjustment Bureau president; Fred W. Lagerquist Jr., Atlanta local agent, vice-president; E. Thomas Johnson Jr. treasurer; Kenneth Black Jr. of Georgia State college secretary.

Philadelphia CPCU chapter has moved Robb B. Kelley of Employers Mutual Casualty up to president to succeed John Yourtree, who has gone to northern New Jersey for Fire Association. Stanley S. Atkiss of Pennsylvania Manufacturers Assn. Casualty becomes vice-president, and John W. Kelley of Mather & Co. agency secretary-treasurer. At its November meeting the chapter discussed a new public information project that it is planning to launch.

Attendance Averages 100 at Ohio Dwelling Form Clinics

A series of one-day clinics on dwelling package policies is in progress in Ohio. Sponsored by local boards and Ohio Assn. of Insurance Agents, attendance has averaged more than 100 at the meetings. Fifteen sessions have been scheduled for the program since

homeowners policies were approved in Ohio. Charles T. Collins, educational director of the Ohio association, is directing the meetings.

Members of Ohio Assn. of Casualty & Surety Managers and Ohio Fire Underwriters Assn. are serving as instructors and discussion leaders, with Louis VonVille, U.S.F.&G.; E. O. Platell, American Surety, and Robert Lloyd, Hartford Accident, representing the casualty association, and Donald Webster, Scottish Union; William Venable, F. & G. Fire, and Ray Kapp, Phoenix of Hartford, handling the fire end.

Royal-Liverpool Promotes Two in East

Arthur D. Ackerson has been named assistant agency secretary in the eastern production department by Royal-Liverpool group. Formerly state agent at Concord, N. H., serving agents in New Hampshire and Vermont, Mr. Ackerson's duties there will be taken over by State Agent John K. O'Loughlin, who has traveled Connecticut the past two years.

Mr. Ackerson, joined Royal-Liverpool in 1946 after military service. He was formerly with Sun. His first assignment for Royal-Liverpool was as special agent at Portland, Me., and in 1947 he transferred to Hartford. He has been state agent in Concord since 1951.

Mr. O'Loughlin joined Royal-Liverpool in 1953 and after completing the group's production course was assigned as special agent in Hartford. At Concord his headquarters will be at 3 Pleasant street.

"Unforeseen events . . . need not change and shape the course of man's affairs"



Tonight . . . your number may come up

This very minute, a burglar may be picking your house number . . . to pay you a visit later. And when your number's up, you're the loser.

What are the chances of valuables being stolen from your home by a sneak-thief or burglar? About six times greater than the chance of its catching fire.

That is why you should protect your personal possessions with the Maryland's Residence and Out-

side Theft Policy. Here is coverage that insures all the contents of your residence. It protects your possessions while you are traveling, staying in hotels, and even while vacationing away from home.

Here is an investment in peace of mind. Let your Maryland agent or broker give you complete details. *Remember: because your Maryland agent knows his business, it's good business for you to know him.*

MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

Burglary Insurance is only one of many forms of Maryland protection for business, industry, and the home. Casualty Insurance, Fidelity and Surety Bonds, and Fire and Marine Insurance are available through 10,000 agents and brokers.

Another timely Maryland advertisement designed to help Maryland agents and brokers sell more—and larger—burglary insurance policies.

EDITORIAL COMMENT

Preparing for the Christmas Season

National Office Management Assn. is sending out for dissemination the results of a survey it had taken on office Christmas parties. This study was designed to reveal how the office workers themselves feel about this subject. As advocates of parties in general and with a kindly feeling for those conducted in business offices, we were somewhat dismayed to find that 40% of the office personnel surveyed are opposed to Christmas parties on the working premises.

The office management association says its survey was conducted "in such manner as to eliminate the possibility of office workers being afraid to express their opinions." Findings are obtained from 6,500 replies.

If only 60% of the persons attending an office Christmas party are in accord with the proceedings, it seems to us that these affairs would be dull indeed. Therefore, we must take some exception to these statistics, noting that the survey was performed many weeks before the Christmas season and conclude that the opposition is perhaps more of an initial reluctance than an expression of reaction to the proceedings once they are under way. It would not be out of line to suggest that had the survey been taken in the offices while the parties were in progress the results might have been vastly different.

For those companies and agencies intending to devote a few hours around the Christmas holidays to an office party, we submit the basic findings of the National Office Management Assn. survey. This might serve as a guide in determining in what areas "public relations" should be used before the party starts in order to make it a success.

For example, the survey shows the female office workers are slightly more in favor of office Christmas parties than male workers (63% as against 59%). However, 92% of all male office workers under age 20 are in favor of Christmas parties as compared with 82% of females in the same age bracket.

Less than half of the males 40 years and older are in favor of Christmas parties, but women have passed age 49 before a majority are against them. Up to age 40, men are more in favor than women of such parties, and after 40 they are less in favor.

Some interesting responses were obtained when office workers were asked their reasons for and against the

Christmas parties. In order of importance, the replies in favor were:

1. Social contact with other workers and getting better acquainted with such workers, 40%.
2. Social contact with employers and supervisors and getting better acquainted with them, 24%.
3. Builds morale in the office, 12%.
4. Provides an opportunity to bring the family, (husbands, wives, etc.) into the office picture, 4%.
5. Provides an opportunity for open discussion ("letting hair down"), 3%.
6. Provides an opportunity to meet people in other departments, 2%.

A group of answers totalling 13% are summarized as indicating that office parties are important to the individual as a substitute for lack of social activities outside the office. Here and there an answer indicated a special reason for enjoying the affairs, one of the more enlightening being: "I like mistletoe."

The objectors to the office Christmas party idea offer 11 points in opposition, these being:

1. Breaks down barriers and allows too much familiarity, 22%.
2. Creates unpleasant situations "in the office and at home after the parties," 18%.
3. Too much alcohol, 15%.
4. Not in keeping with the Christmas spirit, 11%.
5. Object because wives and husbands are not permitted, 6%.
6. Have nothing in common with other workers or don't like the social contacts with others, 6%.
7. Shouldn't mix business with pleasure, 5%.
8. Parties are just useless and don't like them, 5%.
9. Bad time of year to have an office party, 4%.
10. Too expensive, 3%.
11. Don't like parties at which both men and women are permitted, 3%.

There was another 2% against these parties because they are too formal and there is too much "pretense." Among the candid responses was that of the person who has no use for these gatherings "because I have to set up the party and serve it."

National Office Management Assn. distributed all of the above data without comment or elaboration, undoubtedly having among its own membership some difference of opinion as to office parties.

However, it is safe to remark that

the objections to office parties indicate that they are conducted at varying extremes from the formal event at which everyone shakes hands with the boss to the hilarious affair where the boss gets told off and the one doing the telling goes home and gets the same treatment from the little woman.

Neither of these extremes are good public relations, and it would indicate a fertile area for development within the insurance business. Perhaps an all-industry committee could be set up to do some research on this and make suggestions as to the proper manner of conducting an office party. These columns will always be open to progressive information of this nature.

PERSONALS

Sylvester Melvin, secretary of Greene County Mutual of Greenfield, Ill., a job he has held since 1900, observed his 104th birthday Nov. 29 by being on the job "as usual." He is the oldest resident of Greene county. He indicated that he has no intention to retire. He is the oldest active business man in the country. In addition to his duties with the mutual, he raises cattle and owns what is believed to be the oldest registered Aberdeen-Angus herd in the United States under its original ownership.

William M. Kearns, who was president and director of Sun Indemnity, has been named deputy U.S. manager of Sun as a result of the merger of its United States subsidiaries. He began his insurance career with Liberty Mutual in 1923, joined Lumbermens Mutual Casualty in 1934 and has been with Sun Indemnity since 1935. Mr. Kearns was educated at University of Maine and New York university and received his law degree from New Jersey Law School.



William M. Kearns

The home of **Martin Mullally** of the Campau, Mullally & Meier agency of Muskegon, Mich., was swept by fire over the weekend at a loss of several thousand dollars. Mr. Mullally is a former president of Michigan Assn. of Insurance Agents.

Wyatt L. Kirk, partner in Kirk Brothers Co. general agency at Topeka, has returned to work after recovering from a heart attack suffered several months ago.

L. F. Hawley, president of the Newhouse & Hawley agency at Chicago, is

vice-president in charge of incentive sales of the Drake Travel Service, located in the Palmolive building in Chicago. The 30-year old firm arranges travel reservations on a world-wide basis.

DEATHS

ROBERT N. CRAGGS, 69, an assistant agency director of Maryland Casualty Co. since 1943 and with the company 35 years, died suddenly at Baltimore. He was with Maryland Casualty from 1906 to 1920 as an auditor and underwriter. After an interval of operating his own agency in Schenectady, N. Y., he returned to Maryland Casualty in 1934 as a field supervisor. He was a former president of Casualty & Surety Club of Baltimore.

MARTIN SWARTZ, 46, local agent at Lynn, Mass., died suddenly at his home.

J. L. MAYES, owner of the J. L. Mayes agency at Corpus Christi, Tex., died there of a heart attack. His son, Charles, will continue to manage the agency.

CHARLES E. ELDRIDGE, 93, manager of Kansas Inspection Bureau for 18 years until 1919, died at the Urbana, Ill., home of his daughter, Mrs. E. G. Young. Mr. Eldridge operated a local agency at Topeka until his retirement and was at one time assistant superintendent of insurance for Kansas. A son Frank L. Eldridge of Glenview, Ill., is an engineer with Marsh & McLennan, Chicago insurance brokers.

CHARLES SCHUMACHER, 59, for a number of years a bond underwriter of Indemnity of North America in the New York office, died in White Plains N. Y., hospital.

HARRY WAGENFUEHR of the Comal agency at New Braunfels, Tex., died there. He had been active in the local agency field for 30 years.

CARL F. BROWN, 65, insurance manager of Anchor Hocking Glass Corp., died at Lancaster, O., following a brief illness.

ALVIN C. JOHNSON, 47, legal counsel for Indiana Assn. of Insurance Agents and general counsel for Wabash Fire & Casualty, died in his home town of Seymour, Ind., where he had gone for the Thanksgiving holidays.

CHARLES A. CARLISE JR., manager of the group insurance department of TerBush & Powell at Schenectady, died at his home in Albany. He had been with the agency 21 years.

ROSS S. WHITLOCK, 75, local agent at Bentonville, Ark., died at a hospital there. He owned and operated the Whitlock agency from 1928 until 1954 when

The NATIONAL UNDERWRITER

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ADVERTISING OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
Telephone Wabash 2-2704.
Advertising Manager: Raymond J. O'Brien.
SUBSCRIPTION OFFICE:
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 2140.

KANSAS CITY 6, MO.—606 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103. Tel. Beekman 3-3953. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

OFFICERS:
Howard J. Burrage, President.
Louis H. Martin, Vice-President.
Joseph H. Head, Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 2140.

OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Clarence W. Hamel, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., 'el. Exbrook 2-3054. A. J. Wheeler, Pch.; Coast Manager.



it was taken over by his wife, Pearl B. Whitlock.

MRS. LAURA B. SUTHARD, owner of the H. H. Brown & Co. agency of Benton Harbor, Mich., was killed in a traffic accident. She and her son, William, 8, were involved in a collision at a highway intersection, and William was seriously hurt. Mrs. Suthard took over the agency at the death of her mother, and recently has served as secretary of Berrien County Assn. of Insurance Agents.

JOSEPH A. GERNHARDT, 61, retired advertising manager of National Surety, died in Veterans hospital, Brooklyn. He joined National Surety in 1925 as a salesman and served as advertising manager from 1928 until his retirement in 1953. He was a past president of Insurance Advertising and at one time served as secretary of Casualty & Surety Club of New York.



J. A. Gernhardt

FRED W. GAUGER, assistant manager of Northwestern National at Chicago, died after a lengthy illness. Mr. Gauger's initial insurance experience was with Millers National. He joined Northwestern National in 1923 and had served as assistant manager since 1941.

ANTHONY J. MARTIN, 58, former cashier for the western department of Hanover Fire at Chicago, died in his home after a lengthy illness. He was with Hanover Fire in Chicago for 35 years until ill health forced his retirement three years ago.

HENRY P. LATHAM, 58, vice-president of Aetna Fire group in charge of the New England department, died

at Hartford after a short illness. He joined Aetna Fire in 1925 as an assistant examiner in the home office. He was sent to Arkansas in 1926 as special agent and was appointed Arkansas state agent in 1930. In 1946 he returned to the home office and was elected assistant secretary. He advanced to secretary a year later and was elected a vice-president of all Aetna Fire group in 1951.

ALBERT D. HERMES, 76, veteran Racine agent for 30 years until his retirement four years ago, died at a hospital in Racine.

LOUIS MOGENSEN, for 40 years a local agent in Racine, Wis., until he retired a number of years ago, died in that city.

Plan Insurance Center Building at Peoria

Construction has begun on an office building at Peoria that will house insurance offices exclusively. The \$350,000 Insurance Center building is being built by E. C. Risser, a Peoria broker. There will be space for offices of approximately 15 life, casualty, and fire companies, agencies, and adjusting and rating firms.

The L-shaped structure will front on both Knoxville and Forrest Hill avenues, where off-street parking will be provided. Approximately 25,000 square feet in the three-story building will be available to tenants, and there will be a cafeteria and assembly room. Modern throughout, the building will be air-conditioned and feature windows especially planned for insurance purposes. All will reach only to within four feet of the floors, allowing the space below to be utilized for filing cabinets.

The walls will be a pink-hued brick, and entrances a combination of imperial red granite, aluminum, and glass. There will be an outside louvered canopy over the windows to eliminate direct sun rays. Completion of the building is scheduled for next September.

PACKAGED

DYNAMITE!

Many a product, innocently packaged in can, carton or bottle, has the potentialities of dynamite if an unforeseen effect should lead to a liability suit against its manufacturer. It is sometimes impossible for a producer to find markets for this coverage with his regular companies. In these cases, Illinois R. B. Jones will provide the answer.

Jones underwriters are well versed in products liability. They have access to the broadest markets in the world. They are schooled and skilled in providing the kinds of services that have won them the patronage of the best insurance agents and brokers of the land.

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William E. Lersch, Vice-President



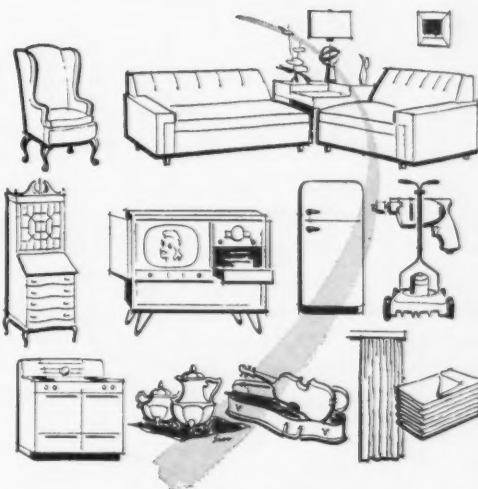
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Talk to our special agents about the full range of dwelling and contents coverage that we write under named-perils, all-risks, and package policies . . . at lower net cost.



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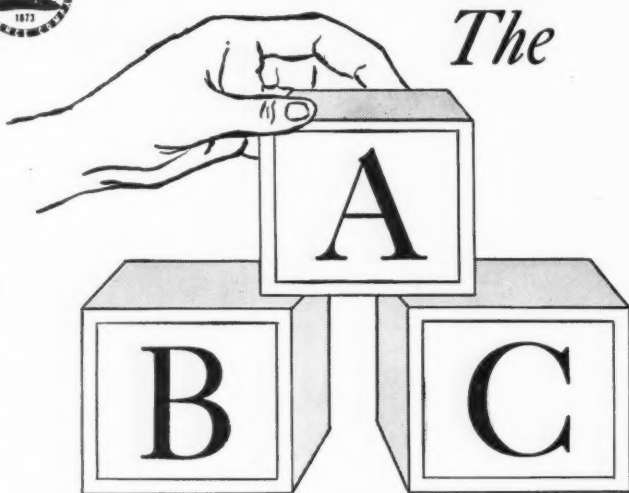
ANDREW J. HELMICK, Pres.

DALLAS, TEXAS—2020 LIVE OAK ST. • RAndolph 8339



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You can build greater premium volume and better client relations with the Homeowners' Policies.

- A** All homeowners have been looking for a package policy to simplify the handling of their insurance. There is a Homeowners' policy for every purse—a package with a saving. *Not yet available in some States.
- B** Better service is given to your clients when you represent our companies which keep you on top of the personal insurance market. The Homeowners' policies offer you an occasion to survey personal accounts. Plan to see at least one client or prospect a day.
- C** Complete protection is what your clients expect of you. You must keep them advised of new methods and safeguarded by maximum coverage at minimum cost. The Homeowners' policies give you this opportunity.

Now is the time to sell.

OLD COLONY INSURANCE COMPANY



Insurance Activities of General Motors Told to Senate Committee

Insurance activities of General Motors through its affiliates, General Exchange and Motors, were brought to the attention last week of the Senate anti-trust and monopoly subcommittee studying the operations of G.M. in the testimony of three automobile repair shop representatives.

R. J. Holzer, general counsel of Automotive Repair Executives Assn. of Chicago, and Paul Ries and Ralph A. Pierro, owners of two Chicago repair shops, told the committee, in substance, that independent automobile body shops seldom get a chance to bid on repair work insured by Motors. They said the business is shunted to repair shops run by G.M. car dealers.

An affidavit from a former adjuster of Motors was read by Mr. Holzer. It said that while employed by Motors from 1949 until 1951, the adjuster was trained to persuade owners of cars covered by Motors to take their automobiles, when repairs were needed, back to G.M. shops. This adjuster now works for Paul Ries. Mr. Pierro said as many as 20 cars have been taken from his shop and transferred to G.M. dealer shops. Policyholders were afraid their policies might be cancelled if they didn't take their cars where dealers had "genuine parts," he said.

Mutual Agent Sues When Mortgagor Won't Accept Mutual Insurer's Policy

H. H. Tessman, local agent at San Antonio, has brought suit against Cravens, Dargan & Co., Gulf Coast Investment Corp. and Federal National Mortgage Assn., complaining that they have refused to accept a mutual insurance policy sold last year to Trinidad Rodriguez and his wife on improvements on their property in San Antonio. Mr. Tessman charges this constitutes unlawful and undue restraint upon commerce and seeks to invoke the Sherman anti-trust act against firms requiring borrowers whose property is under lien to carry insurance only in stock companies. He is asking federal damages totalling \$3,000.

Retiring Coast Executives to Be Feted by Colleagues

Pacific coast fire company executives sponsored a reception and dinner for six colleagues who are retiring or have already retired this year. The guests of honor were R. H. Griffith of Glens Falls, J. W. Loftus of Aetna Casualty, Lee S. Gregory of Fireman's Fund, E. V. Oliver of Security of New Haven, John M. Wylie of Springfield F. & M., and H. Clyde Edmundson of America Fore.

Paul F. McKown of St. Paul F. & M., Carl N. Homer of Gaines & Homer, P. D. Richards of Richards & Co., S. T. Shotwell of North British, F. H. Spencer of Commercial Union and Frank C. Colridge of Pacific Board, constituted the dinner committee.

Liberty National Buys Apex Fire of Kalispell

Liberty National of Coeur d'Alene, Ida., has purchased all of the outstanding stock of Apex Fire of Kalispell, Mont., which is capitalized at \$100,000 common and \$100,000 preferred. Apex was organized early this year by interests connected with Valley Mutual Fire of Kalispell.

Liberty National has been writing only workmen's compensation in Mon-

tana, but commencing with 1956 it will write all forms of casualty and Apex will be a running-mate for fire and inland marine.

Outside of the northwest states, Liberty National does a surplus line business. Eventually Apex will be entered in the various states on an admitted basis. The home office of Apex will be moved to Helena where Liberty National now has a branch office.

Md. Casualty Makes Several Appointments

Maryland Casualty has appointed Frank I. Butterworth assistant resident manager at Minneapolis and James A. Lemmon Jr. manager of the bond department there.

Both positions were previously held by Harold Holker. Associated with the company since 1935, he will remain with the company in an advisory capacity.

Mr. Butterworth goes to Minneapolis from Buffalo, where he has been manager of the casualty department since 1949. He joined the company in 1946 at Chicago.

Mr. Lemmon goes from Pittsburgh, where he has been manager of the bond department since 1947. He has been with the company since 1933, at Chicago and Pittsburgh.

John F. Runtch succeeds Mr. Butterworth. He has been a casualty underwriter at Syracuse.

Joseph E. Peretti succeeds Mr. Lemmon. He has been with Maryland Casualty since 1948, and assistant manager of the bond department since 1954.

United Pacific Names Morrill at Minneapolis

United Pacific has opened a branch office at Minneapolis with O. J. Morrill as manager.

Mr. Morrill entered insurance in 1946 with Aetna Casualty at Minneapolis. In 1948 he became bond supervisor for American Automobile companies which position he held until joining United Pacific.

American Institute of Marine Underwriters has reelected Owen E. Barker, president of Appleton & Cox, president. All other officers were reelected.



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| • COLORADO | • UTAH | • TEXAS |
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DESIRABLE AGENCIES WANTED
IN OPEN TERRITORIES

Cimarron Insurance Company, Inc.

CIMARRON, KANSAS



Revised Building Code Published

National Board has published the golden anniversary edition of its *Recommended National Building Code* which is a complete revision of the former code. It provides authoritative answers to a number of questions of current interest in the building design field.

Included is newly-revised and expanded information on construction to minimize windstorm damage which gives detailed suggestions on roof anchorage, attachment of roof coverings and other features.

The new code, in making provision for the use of plastics, gives special provisions for use in windows and skylights and light-diffusing ceilings as well as their basic requirements on combustibility and flame-spread characteristics as applied to other building materials and special conditions in which plastics may be used with little fire hazard.

The new code also allows larger increases in areas of buildings for installation of automatic sprinklers than have been recognized in previous editions.

One of the 16 appendices contains a code covering the installation of heat producing appliances of all types, including air conditioning, blower and exhaust systems.

Another contains fire-resistance ratings of walls, floors and other building parts.

National Board will furnish free, on request, up to 50 copies of the code to any municipality adopting it, and as many other copies as desired at a nominal price.

More Than 200 Attend Okla. Insurance School

More than 200 persons attended the recent three-day insurance school at the extension study center of Oklahoma university at Norman.

The school is sponsored by Oklahoma Assn. of Insurance Agents and the university. Cooperating groups include National Assn. of Insurance Agents, Casualty & Surety Assn. of Oklahoma, Oklahoma Fire Underwriters Assn., Oklahoma Insurance Information Office and Oklahoma Inspection Bureau.

A new fire policywriting workshop attracted the largest attendance of three sections offered with 82 students enrolled. The workshop emphasized writing of fire policies, application of fire rules and use of fire forms.

Mrs. Pauline L. Avery of Kingfisher served as director. William Butler of the Inspection Bureau moderated a panel of experts which included: George J. Jones of Western Fire of Kansas; Jesse J. Murray Jr. of U.S.F. & G.; Joseph Champlin and William E. Hamilton, both of the Inspection Bureau; Pauline Nelms of Home; Edward Stroming of the J. B. Fears agency, and James O. Wheelchel, local agent from Tulsa and chairman of the Oklahoma association's education committee.

A course in automobile coverage and one in general liability rounded out the curriculum. William F. Johnson of Newkirk directed the auto course. Instructors were David J. Stone, T. R. Weaver, Robert J. Hvatt and John D. Walker, all of U.S.F. & G., and Mr. Wheelchel.

The liability course was directed by Wayne A. Smith of Lawton. Instructors were Robert E. Shelton, an attorney; James A. Seelbinder of Central Surety & Insurance of Kansas City; Burt W. Ludlow of Travelers; W. C. King of Central Surety, and Ed Rooney of Trinity Universal.

Commissioner Hunt discussed the organization and problems of the department at an evening forum. Members of the department staff who ap-

peared with Mr. Hunt were Horace Rhodes, Jack W. Lawter and Byrle F. Dunn. Harlan S. Pinkerton of Tulsa served as forum chairman.

Another forum dealt with activities of the Oklahoma association. Homer W. Peay, association president, served as chairman. On the panel were James L. Reinmiller of Hobart, dean of the school; James J. Quinn, president-elect of the OIAA, Bartlesville, and Carroll Swickey, OIAA executive secretary.

Insurance Women of Lincoln heard a discussion on "Burglary Insurance" by Lelia Thomas and Mrs. N. E. Julian at their November meeting. Ronald R. Ahl presented a film on telephone courtesy.

Phoenix-Conn. Names McAllister in N. C.

Phoenix of Hartford group has appointed Harold C. McAllister Jr. manager at Raleigh, N. C. He formerly was state agent in San Antonio and succeeds the late J. Bruce Crater as manager. Mr. McAllister joined Phoenix in 1941.

Hardie Miller becomes superintendent of casualty and bonding operations in North Carolina, and Russell G. Sherrill state agent in western North Carolina.

State Agent M. L. Fuller will continue to handle the eastern section of the state assisted by Agency Superintendent Robert Winston and Casualty Underwriter John Scotton.

The office is in the Insurance building, Raleigh.

American Re to Pay Extra Dividend

American Re has declared an extra dividend of 20 cents a share payable Dec. 15 to holders of record Dec. 5.

These three magazines are reaching most of the best business men and property owners in your community!

Does your public see YOU in this picture?

In the community you serve, are YOU the "Protection Agent"?

An outlined figure in white is becoming famous through national advertising.

As "Protection Agent", he is making friends and writing policies where the ordinary "insurance agent" meets only resistance.

Have you weighed the advantages of becoming known locally as the National "Protection Agent"?

No other insurance company today is giving you such a grand opportunity to gain stature and prestige... and business!

Your National Field Man can tell you how you can cash in locally on this national campaign. He has a program all ready for your use. Call him in!

Why not let your best assureds know that YOU are National's "Protection Agent"?

Damage threatens every business, accidents every home. To conduct business or to live relaxed, you must have financial protection. Property worth owning is worth protecting. There is the importance of the National Protection Agent. He represents the National of Hartford Group of insurance companies. There are burglary claims to prevent theft and fire claims to prevent damage. But should losses occur, the National man still protects you! The National Protection Agent has passed an examination, is licensed by your State. He makes a property survey for you, evaluates your risks, advises how much coverage you need. Then he writes up a policy or policies, placing them for you with an insurance company or group of companies. He has the knowledge, resources to repay you for any loss, and (b) with a known reputation for prompt payment of claims. He's impartial. The National Protection Agent is under no obligation to insure you with the companies constituting the National of Hartford Group. Thus, any time he selects National, it means he really believes National will best serve your interests. For impartial counsel in obtaining protection, let us put you in touch with the National Protection Agent in your community. Don't do business without him!

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NATIONAL FIRE INSURANCE COMPANY OF HARTFORD MECHANICS AND TRADERS INSURANCE COMPANY
FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
TRANSCONTINENTAL INSURANCE COMPANY UNITED NATIONAL INDEMNITY COMPANY
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FIRE • MARINE • AUTOMOBILE • CASUALTY • BONDING



ACCIDENT & SICKNESS

H&A Conference Publishes New Book on Non-can. A&H

Health & Accident Underwriters Conference has published a new book non-cancellable A&H, independently researched and written by an insurance educator, O. D. Dickerson, insurance instructor, at the business school of the University of Pennsylvania. The book, "Long Term Guaranteed Renewable Disability Insurance," is published under the auspices of a fund set up as a memorial to the late Harold R. Gordon, managing director of the conference.

Mr. Dickerson has taught insurance courses for New York Life and Provident Indemnity Life along with his regular work at the university.

The conference executive committee calls the book "a constructive and significant addition to the literature of personal insurance. Mr. Dickerson's book will add substantially to the wider understanding of the problems of non-cancellable guaranteed renewable insurance and will point the way to the further development and extension of this type of A&H insurance." Research and preparation for the book took almost two years.

The memorial fund is used to sponsor worthy and educational projects in the A&H field. Money was contributed shortly after Mr. Gordon's death in 1948 by companies, friends and associates.

This is the second published project of the fund. The first was a cash award to C. M. Daniel, actuarial rate analyst of Hardware Mutual Casualty, for his paper on group rate making for small insurers.

A committee composed of E. J. Faulkner, Woodmen Accident & Life; C. O. Pauley, conference consultant and J. W. Scherr Jr., Inter-Ocean, is studying additional projects that will qualify under the principles established for use of the fund.

Mr. Dickerson's book may be purchased from the Conference executive office at \$2 a copy.

Chicago A&H Assn. to Hold Party for Orphans

Chicago A&H Assn. will sponsor its eighth annual Christmas party for 100 Chicago area orphans at the LaSalle hotel, Dec. 14.

The children are from the Central Baptist Childrens Home at Lake Villa and Chicago's Angel Guardian Orphanage.

Celebrities who will attend the event include TV-stars Fran Allison and Johnny Coons and Chicago Cubs pitcher Paul Minner, who is with Midland National Life, and Big 10 referee and former all-American George Rennix, who is with Fireman's Fund group.

Butler University To Offer Course in A&H

Butler university is adding a course in A&H to its curriculum starting in February, thus becoming one of a few colleges to offer such a course. Separate courses in A&H are not offered in most colleges despite the fact that it has moved into second place in premium volume among all lines.

Walter W. Dotterweich, assistant professor of insurance at Butler, said the course "will be designed to round

out the insurance student's knowledge of the entire field of personal coverages through a study of the practices and problems in this rapidly-growing line."

The A&H course will be open to both non-credit and matriculating students. Butler offers a curriculum leading to an undergraduate major in insurance.

A&H Seminar Set for Feb. 7-9

Broadened group coverage and its potential extension will be primary topics at the educational seminar on group A&H insurance Feb. 7-9 at the Biltmore hotel, New York, under the joint auspices of Bureau of A&H Underwriters and H&A Underwriters Conference and under the joint direction of the educational seminar subcommittee of the group and statutory disability insurance committee of the bureau and the group meeting program subcommittee of the group of the conference.

Workshop sessions will be held on coverage on groups of less than 25 lives, student accident coverage and similar lines, trade association group, major medical coverage and its integration with a base plan insured by another insurer, special underwriting problems arising in particular states or cities, conversion of hospital, surgical, and medical expense on termination of group, professional association group, techniques in coping with excessive medical and hospital charges, coverage for retired employees and dependents, promotion of policyholder and employee appreciation of group plans, and aids in policyholder education.

The program was prepared by the bureau-conference committee, M. D. Miller of Equitable Society and R. C. Knoblock of Washington National, co-chairmen.

Sherman to Lancaster

Bernard R. Sherman has been named manager of a new district office at Lancaster, Pa., for Mutual Benefit H&A and United Benefit Life.

Mr. Sherman, who joined the companies 10 years ago, has worked throughout Lancaster county from the companies' Philadelphia office. The Lancaster office will be located at 207-A West Chestnut street.

San Antonio of A&H Underwriters, had as guest speaker Dan Quill, San Antonio postmaster.

FIELD

Jones to N. M. Field for St. Paul F.&M.

St. Paul Fire and Marine has transferred Special Agent Donald J. Jones from Kansas City office to Albuquerque, N. M., where he will service the southern portion of the state under the supervision of State Agent N. G. Cary.

Swanson Joins Frazier Agency at Seattle

Orville Swanson, former special agent at Seattle for Cimarron, has joined Frazier & Co. general agency at Seattle as special agent in western Washington.

Miles to Ohio Field for Royal-Liverpool

Royal-Liverpool has appointed Donald A. Miles special agent in northwest Ohio. He joined Royal-Liverpool in

1952 in the A&H production department. After training in the group's production course in the New York office in 1954, he was appointed special agent at Cleveland.

In his new appointment at Toledo, he will assist State Agent A. R. Glomstead, with headquarters at 672 Spitzer building.

Tompkins Named Insurance Department Manager

Paul D. Tompkins, Kansas state agent for Boston since 1953, has joined the J. C. Sargent Mortgage Co. at Topeka as insurance department manager.

Prior to joining Boston, Mr. Tompkins was with Home in the Missouri field.

Worcester Mutual Sends Reeve to N. J.

Melvin E. Reeve of Worcester Mutual Fire has been promoted to special agent in New Jersey. He has been an underwriter at the home office.

Formerly the company was represented in New Jersey as well as northern New York state by Gerald M. Holmes, who will continue handling business in the New York area and will have supervision of New Jersey.

Waller State Agent in Alabama for Boston

E. A. Waller, formerly special agent in Alabama of Firemen's of Newark, has been named state agent of Boston with headquarters at Birmingham. He will be assisted by Donald R. Jordan, special agent of Phoenix Indemnity in Alabama.

North British Names Williams in La.

North British group has appointed Vernon Williams state agent in southern Louisiana, replacing Arthur E. Triemer who resigned. His office will be at 724 Hibernia Bank building, New Orleans.

Tenn. Ponds Meet Jointly

Mid-South Pond of Memphis Blue Goose was host at a joint dinner meeting with the Tennessee Pond of Nashville honoring Grand Supervisor Jules E. Simoneaux of the Simoneaux general agency at Baton Rouge.

The dinner followed afternoon meetings of Tennessee Fire Underwriters Assn. and Tennessee Fire Prevention Assn.

MLG John Greenway of the Mid-South Pond and MLG Robert Harwood of the Tennessee Pond presided at the meeting.

Blackwell Named Special

American has appointed William C. Blackwell Jr. special agent in the California north coast territory with headquarters in Santa Rosa.

Huff Joins Kan. Agency

Richard H. Huff, former northern Kansas state agent for North British group, has joined the Charlton agency at Lawrence, Kan.

California Pond of Blue Goose had its annual Christmas dinner-dance Dec. 3 at Hollywood Athletic Club.

Washington pond of Blue Goose will have its winter party Dec. 17 at Seattle. The semi-annual meeting has been set for Jan. 9 at Spokane.

Mountain Insurance Field Club of New Hampshire has been commended by the Fire Prevention Bureau of the Nashua, N. H., fire department for its fire prevention films which were loaned

the fire department for showing at various public gatherings during November.

MacDonald to Kansas Field for Glens Falls

Richard E. MacDonald, after three years of home office training, has been named Kansas field assistant for Glens Falls. He will travel the entire state and have offices at 701 Jackson street, Topeka.

Horsman to Mich. for Employers

Employers group has appointed Lionel P. Horsman manager at Grand Rapids, Mich. He joined the company in 1941 as a safety engineer and from 1948 to the present he has been special agent and underwriter in the New York field.

Repeal of Wash. Dram Shop Law Kills Xmas Party Case

The much publicized dram shop action brought by Ruth Hansen against West Coast Wholesale Drug Co. of Seattle was brought to an end when Washington supreme court ruled unanimously that the 1955 law repealing the dram shop act made the question involved in the suit moot.

The accident upon which the suit was based occurred in 1953, and even though the statute was not repealed until 1955, the supreme court said the repeal became effective in June of 1955 at a time when Mrs. Hansen's appeal was pending.

Mrs. Hansen brought suit after her husband was killed and she and her child were injured when their automobile was involved in a collision with a car driven by Fred Bear. It was alleged that Bear had been attending a Christmas party given by West Coast Wholesale Drugs and was in an intoxicated condition. The case was dismissed by King County superior court. Mrs. Hansen had appealed to the supreme court.

NEWS BRIEFS

F. L. Henkel has sold his adjusting company at Denver to S. E. Kaitfors, who will operate it as Stanley Adjustments Co. with offices at 1314 Cherokee street. Mr. Henkel is moving to Virginia where he formerly resided.

Kenneth C. Boniface, staff writer of The Eastern Underwriter for two years, has resigned to become an associate editor of Suffolk Journal, a Lindenhurst, N.Y., newspaper.

The San Jose, Cal., offices of Hartford Fire and Hartford Accident have been moved to new ground floor quarters at 1101 Park avenue.

Ottis Earl, president of Grain Dealers Mutual, has been elected a director of American Mutual Re of Chicago.

Insurance Women of Hidalgo county (Tex.) saw a film on telephone courtesy at their November meeting. The association will sponsor its annual insurance school during February.

The Clement C. Winke agency of Milwaukee on Dec. 1 moved into modern and enlarged quarters at its location at 741 North Milwaukee street.

Insurance Women of Corpus Christi heard a discussion of safe driving by Miss Margaret Bray, a local high school teacher of driver education, at the November meeting. Speakers at the WC course sponsored by the group during November included O. B. Roquemore of Whitefield & Roquemore Adjusters, Willard Brown of the Brown & Studer agency, and Gaston Broyles, special agent for Travelers.

Robert R. MacKay, local agent of North Woodstock, N. H., has purchased the Robert R. Stanley agency there. Mr. MacKay was associated with Paul F. Mullavey in the Stanley agency at Lincoln, N. H., and established his own agency last year.

Chubb & Son Companies Name 3 Vice-Presidents

Charles A. Lane, manager of Chubb & Son at Chicago, has been elected regional vice-president in charge of the midwestern department of Federal.



Robert A. Murphy

Robert A. Murphy and Herbert L. Hodgetts have been named vice-presidents of Vigilant.

Mr. Lane has been with Chubb & Son since 1936.

Mr. Murphy has been with Chubb & Son at New York



Charles A. Lane

since 1934 and is manager of the cargo underwriting department.

Mr. Hodgetts, who joined Chubb & Son in 1947, is manager of the company's Los Angeles office.



H. L. Hodgetts

Pacific Fire Rate Bureau Sets Out "Block" Manual

(CONTINUED FROM PAGE 1)

pay risks \$1,500 per year. Boiler, elevator, glass and ocean marine cover is permissible other insurance but doesn't count as a credit against the commercial property premium.

A rating formula is provided for risks exclusively retail with annual gross sales of \$1 million or less, that do not have proprietary pick-up or delivery, and that not have outside salesmen who carry samples. There are basic fire and extended coverage credits for size of premium and number of buildings and yards, burglary coinsurance requirements and credits, and water damage and sprinkler leakage credits.

The floater premium is 1 cent per \$100 of annual gross sales, the all risk premium 10% of the premiums for burglary, sprinkler leakage, water damage and floater. There is a package credit of 25% of all the premiums in this paragraph.

The plan contemplates an experience credit and debit system to be developed by the rating bureau in the first year of the plan's operation. Pending that, however, there is to be a supplementary credit of 25% to be applied to the premium resulting from the paragraph immediately above. Once established, the experience credit and debit system is to be used in lieu of the foregoing credits in computing all subsequent policy rates.

Term credits apply if the full deposit premium is paid in advance. If the premium is paid annually the annual premium is increased by 3% before applying the term multiples. On monthly payments the annual rate is increased 9% before applying term discounts.

Long Beach Branch Wins Contest

Allstate's Long Beach, Cal., branch has won the company's annual sales contest honoring President Calvin Fen-

tress Jr. for the second consecutive year.

The branch, managed by Raymond Loewe, achieved 170.8% of its production goal for the contest period which was the month of November.

Atlanta, Charlotte, Indianapolis, Milwaukee and Detroit were other prize winners in that order among Allstate's 26 branches. The Long Beach branch will receive a president's birthday contest trophy and other winners will be awarded silver trophies.

Mass. Flood Committee

Edward I. Parker of Worcester has been appointed chairman of the flood catastrophe committee of Insurance Brokers Assn. of Massachusetts. He will name members from Springfield, Worcester and the Blackstone Valley where the recent floods did so much damage. The flood insurance plan of C. Conrad Parker, Mr. Parker's father, and other plans will be studied.

Two members were elected to the executive council of the association, F. Clayton Elliott of Fall River and Lawrence B. Shearer of Rockland. Mr. Elliott is a past president of Fall River Chamber of Commerce, and Mr. Shearer will be the 1956 president of Rockland Kiwanis club.

400 Attend Kansas City CPCU Luncheon

More than 400 persons attended the Kansas City CPCU all-industry luncheon and conferment which was highlighted by the presentation of CPCU designations to five Kansas City area agents.

Robert E. Morgenthaler, 1st vice-president of Associated Agencies Inc., was elected president of the CPCU chapter. Other new officers are Percy S. Lorie Jr. of the Lorie agency, vice-president; Jack V. Riley of the Riley agency, secretary, and George W. Ryan, manager of the W. L. Brady agency, treasurer.

New directors are William J. Mitchell, Kansas City manager for North America, and Jerome R. Churchman, departmental secretary of Kansas City F&M.

Texas Local Boards Elect

Corpus Christi Insurance Exchange has changed its name to Corpus Christi Assn. of Insurance Agents and adopted a revised constitution and by-laws.

New officers are Lawrence J. Tuck-

er, president; James R. Dinn, vice-president; T. LeRoy Lain, secretary, and Herbert W. Agan, treasurer. Baxter Jackson has been named to the new post of executive secretary.

New officers of other local Texas boards are:

Denton—C. P. Whisenant, president; George E. Inman, vice-president, and Frank Barrow, secretary.

Fort Stockton—Fred Jones, president; W. W. Vickrey, vice-president, and Elbert Boatman, secretary.

Joins Slawsby Agency

Frank Whaland has joined the Archie Slawsby agency at Nashua, N.H., as account executive. He entered the business as an adjuster with Travelers after World War II and later was a special agent of Central Mutual. Recently he has been state agent of Caledonian group in Maine, New Hampshire and Vermont.

Halsey Named in Ohio

Michigan Surety has appointed Ned Halsey as special agent, supervising central and southern Ohio with headquarters at Columbus. Mr. Halsey has been with Buckeye Union and Trinity Universal.



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Holz Suggests Assessment Financing of UJF in N.Y.

(CONTINUED FROM PAGE 5)
type and it opposes compulsory automobile. He said Mr. Holz's proposal looks very like a UJF and Mr. Craugh's proposal, he said, "looks like an alias for compulsory automobile cover."

Mr. Harrington answered many questions put by the legislative committee about the Massachusetts law. He was commissioner in that state 13 years while the law was in operation and, he said, he always opposed compulsory automobile insurance.

New York Mutual Agents Assn. is traditionally opposed to the premise of compulsory automobile insurance, Mr. Geer said. He suggested that the new uninsured motorist endorsement in New York deserves a fair trial before it is dismissed. However, the association believes that impoundment of cars is highly desirable, but that fining the uninsured motorist after an accident would only further tie up his resources and would not benefit the injured party.

Mr. Reidy reaffirmed the opposition of New York State Bar Assn. to compulsory automobile insurance. He also asserted that the motor vehicle bureau failed to carry out a provision enacted by the legislature calling for the compilation of accurate statistics concerning insurance coverage on automobiles in the state. The questionnaire which was provided to obtain the information did not provide a question concerning the motor vehicle liability policy. He said he believed the 13% uninsured motorist figure in the state was inaccurate and yet, he said, the law requiring the question concerning insurance has been repealed by the 1955 legislature.

Mr. Harbison said he believes the evil aspects of compulsory are so great they over balance any good that could possibly come out of such a law.

Safety is the real issue, he said, and will continue to be so far as the public is concerned.

Questioned by the legislative committee concerning Travelers' business in Massachusetts, Mr. Harbison said that in 1954 the compulsory premiums amounted to \$6,841,000. From 1945 to 1954 the company lost \$2,056,520 on compulsory automobile in Massachusetts a loss ratio of 5.7% in the 10 years.

Nothing that the committee can evolve will protect every person injured in a motor vehicle accident, Mr. Moser said. Noting that many persons objected to so-called gaps in the new UM cover, Mr. Moser pointed out that

generally 13 million people in New York are covered by the new endorsement, both while riding in cars or as pedestrians. That leaves 3 million non-car owners that may be injured as pedestrians. In 1954, 800 pedestrians were killed in New York and 27,000 were injured. It can be assumed that of those, 150 deaths and 5,260 injuries were persons from families that do not own cars. However, not all of them were injured by uninsured, say 90% were injured by insured automobiles. That leaves 15 of those killed and 526 of those injured that were victims of uninsured motorists. The motor vehicle bureau states that 50% of the pedestrian accidents are caused by contributory negligence, so that leaves only eight deaths and 260 injuries. Of those injured 63% have slight injuries which are easily compensated. That leaves only 96 serious injuries which are not covered in some way. The 3 million figure bandied around is misleading: actually the gap is only eight deaths and 96 injuries. Considering that not all uninsured are financially irresponsible, and that 80% of the people in New York are covered by A&H, even those eight deaths and 96 injuries should be taken care of. The problem has been solved by the UM cover, he concluded. He asserted that with the problem of the uninsured motorist nearly solved, insurers should be entitled to a breathing spell to allow them to find out and study the results of the UM cover.

If the committee feels that something must be added to the present financial responsibility law and the UM endorsement, Mr. Lemmon said, it still has the impoundment law to add to the FR law. This type of law would operate both to increase the ratio of insured motorists and also to facilitate settlement of claims in cases involving uninsured.

No matter how compulsory insurance is glamorized, in the eyes of the motorist it makes insurance premiums an oppressive tax or fee on the privilege of driving, instead of a valuable protective service and benefit. Compulsion applies to all motorists, not just those presently uninsured, he said, and all are susceptible to the philosophy that accompanies it. He recommended an impoundment law and said that the unsatisfactory judgment problem is being satisfactorily handled within the framework of the present system in the state and that it would be sheer folly to scrap it for another system which has been a failure in the only state to try it and which has been rejected in every other state which has considered it.

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Ohio Turnpike Has Many Unusual Safety Features

(CONTINUED FROM PAGE 9)

the bondholders under a trust indenture which is relied upon by the 411 security houses that sold the bonds to the public and that have established a committee of seven of their members to watch the financial success of the venture.

Among the physical and legal risks are the physical risks of hostile fires in the buildings, windstorms in the bridge framing, workmen killed by accidents, trains wrecked on temporary turn-outs, and automobiles ditched at construction barricades, to name a few of the most common ones.

The Ohio legislature created the turnpike commission by an act which neatly balanced a delegation of enough right of eminent domain to acquire a right-of-way, by due process of law, on the one hand, with the full responsibilities of a self-supporting business venture, on the other. It specifically held the commission to be subject to suit in contract and tort.

The "30 bridges over streams" need not be insured; but the "four major bridges over rivers," being, in fact, all twin-bridges, the longest pair crossing the Cuyahoga river valley south of Cleveland and measuring 2,682 feet three inches in length and costing \$6,981,000, required insuring not only with respect to direct physical damage, but also as to consequential loss of revenues during any significant period of inoperation. Had there been any doubt in the minds of the insurance consultant, or of the commission members, it would have been solved for them by the security dealers who wouldn't touch the bond issue without the insurance requirements in the trust indenture.

So, too, with all other decisions of insurance for any \$325 million corporation obliged to live within its income, and to pay off its debts on schedule. That Ohio turnpike commission has earned the confidence of many business men, who are looking over its shoulder and watching its conduct and decisions, is perhaps attested by the facts that it has maintained its schedule, it is keeping within its budget, and its bonds have been quoted at a higher premium than any other of the numerous turnpike issues on the market. In this, commercial insurance has played its inconspicuous supporting role.

Carson to Retire as Head of Mill Owners of Iowa

H. B. Carson, president of Mill Owners Mutual of Des Moines, is retiring. He will be succeeded by L. K. Sharp, who has been vice-president and secretary; and John Wise becomes vice-president and secretary, L. R. McKibban vice-president and treasurer, and F. D. Meurer vice-president and assistant secretary.

Mr. Carson joined Mill Owners in 1909 as bookkeeper. He was elected secretary in 1928 and president in 1940.

Employers Names Grand Rapids Manager

Employers group has appointed Lionel P. Horsman manager at Grand Rapids.

He joined the group in 1941 as a safety engineer, and served in this capacity in various locations throughout the country. From 1948 until the present, he has served both as special agent and underwriter in various field offices in New York state.

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A&H Advertising Code Adopted by Commissioners

(CONTINUED FROM PAGE 1)

at the meeting of the federal liaison committee. He said the rules would be good public relations for the life and A&H businesses, that they could be followed by advertisers in the insurance business without any undue difficulty, and that "advertisers unquestionably can still advertise most effectively under these rules."

At the final plenary session only the advertising code and the report containing the recommendation for the committee on interpretation developed any controversy, and only one person asked to be heard, Moses G. Hubbard of Commercial Travelers of Utica, representing International Federation of Commercial Travelers organizations. He said much of his fear about the code had been dissipated, particularly his

apprehension that the code would be used as a base for considering it was necessary to have a code, which he thought gave away too much to FTC. He said he was glad to know the code is not to be used as a base for appealing FTC.

However, he wanted to know why the code should be enacted until all felt the best code possible had been developed. It is not now such a code, he declared. Since there is no emergency now, he went on, why not refine the code? He objected to use of illustrations in general rules and called attention to the ineptitude of several of them. At a couple of points the code is redundant, stating the same thing in two different ways, which may lead to

confusion. The 11th rule is bad, requiring a company to list where it is licensed—is it supposed to list the states in which it is licensed or the ones where it is not licensed? In either case there will not be much room for advertising, he said.

The industry committee on cancellation of A&H policies, headed by J.F. Follmann Jr. of Bureau of A&H Underwriters, will have its full report on this subject in final form delivered to the NAIC sub-committee on the subject by next March 1, Mr. Follman reported. He suggested the subcommittee consider the industry report and hold a meeting on it about next April 1 to provide an opportunity to resolve any differences between the NAIC and the industry committees, which would permit the preparation of a final report for the June meeting. The subcommittee approved his timetable.

Mr. Follman also outlined the scope of its consideration. This contemplates a thorough exploration of the entire subject. It will look into such matters as voluntary company experiments in the cancellation area, such as expansion of non-cancellable insurance, continuation of risk despite deterioration of health by practice or by contraction right, automatically renewable insurance with the right of company to change premium, insurance of substandard risks, insuring of persons in the older age brackets, etc.

The subcommittee on company reports on A&H claim settlements decided that there should be a meeting of the subcommittee with industry task force No. 2 "for the purpose of further considering a proposed form on which a record of complaints on A&H claim dispositions might be evolved."

The Blue Cross-Blue Shield subcommittee, headed by Pansing of Nebraska, had only two items remaining on its agenda, terminal maternity benefits and the recently submitted compendium of state laws defining the extent of regulation in each state over its respective Blue Cross organizations. A similar Blue Shield compendium had been previously furnished. The subcommittee intends to meet on these matters during the next six months and therefore recommended that it be continued in existence and that the two items be retained on its agenda.

The unauthorized insurance committee held a general discussion of mail order insurance in connection with the investigation made by the Senate judiciary committee. The matter was dropped from the agenda "in view of the fact that no committee has been reappointed and since the hearings of the Senate judiciary committee have been concluded."

The committee recommended that

the subcommittee appointed to study insurance sales on U.S. military reservations be discharged since another NAIC committee, reporting to the federal liaison coordinating committee, is studying this problem. The insurance to military personnel includes automobile as well as life and A&H.

The report of the emergency subcommittee of the federal liaison coordinating committee consisted mainly of a recital of the appearance of NAIC representatives at hearings of the House subcommittee of insurance sales on military reservations.

A method of solving misclassification of collision coverage by PHD insurers writing financed automobile business was outlined in a resolution. One insurer (understood to be Service Fire) installed new rating procedures on a nationwide basis as of last July 1. These are designed to, and in the opinion of the NAIC executive committee, likely will prevent future errors in classification of insured.

There has also been proposed a settlement under which this insurer would undertake to recheck its rating data on all policies previously written, in force as of June 30, and, without resolving the question of law involved, would refund overpayments to insured. Under the proposed settlement, insured would be entitled to a refund of overpayment by furnishing rating information on a prescribed form properly verified showing that there was an error in his classification. The offer of settlement has been made without prejudice to the legal rights or contentions of any parties concerned, the resolution pointed out.

The executive committee in the resolution said it thought this offer was fair and reasonable, and the committee recommended favorable consideration of the offer by the states where it may be made unless there is a conflict of law. The committee further recommended to the states that the offer be the pattern for the disposition of similar situations.

One difficulty involved in the settlement of the problem is the fact that the law in most states provides that the return of any such overpayment goes to the lending institution and not to insured. Consequently, the solution to the problem has not been one of an insurance department simply ordering the insurer to return the overcharge to insured.

(This has been an interesting development. Though a New York newspaper, the *World Telegram*, Dec. 8 charged the New York department with failure to do anything about insurance overcharging on financed automobiles, it was the New York department, in an examination of Service Fire, which discovered that because of lack of proper classification information, overcharges were being made. The department proceeded to deal with the matter in keeping with the realities. At one point the findings and problems were discussed with other commissioners, some of whom promptly furnished newspapers with the story.)

The executive committee also agreed to consider the request of Roger Kenney, insurance editor of *U.S. Investor*, that it review the record to determine if there has actually been eliminated from the record the proposed action of commissioners in prohibiting the taking of credit for non-admitted reinsurance by U.S. insurers except to the extent that funds are withheld.

The commissioners voted to name

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a committee to study existing surplus line legislation along with the desirability of adopting a surplus line law.

The committee, to consist of representatives from the insurance business and NAIC, would report next June. The subcommittee would have representatives of associations and bureaus, rather than individual companies. Thus National Bureau, National Assn. of Independent Insurers, Surplus Line Assn., etc. would represent the business on the subcommittee.

It was also recommended and adopted that the chairman of the laws and legislations committee appoint a subcommittee to work with a committee representing the business to study the problems of furnishing insurance on plants using radioactive materials.

The flood committee is going to request from all segments of the business a complete and factual report on whether they can or cannot write flood insurance. Bisson of Rhode Island, chairman, declared at the meeting of that group. This report is going to deal with the engineering aspects of the matter, he said, and it is going to set forth clearly and concisely, in chronological order, why the insurers can or cannot write the coverage.

Also, he continued, the report is going to include a complete, concise, factual statistical exhibit indicating why the companies can or cannot write flood insurance. He said the commissioners want to know whether the industry desires to cooperate with the federal government, in case the government furnishes flood insurance, and "where and how."

The commissioners are entitled to such a report, he asserted. He then asked the business to say what it is doing or intending to do about the

problem. Wikler of New York said he was of the same mind.

The supplementary report of engineers on the floods of 1955 will be ready shortly, J. Raymond Berry, general counsel of National Board, stated. It would have been ready before except that it started out as a study of the August floods and had to be extended to include the Oct. 14-16 floods.

If insurance can be written against flood damage, he said, "we want to write it. Our companies are in business to write insurance. If they can't write it as insurance," he observed, "commissioners would not permit insurers to do so."

The engineering report is in the process of final writing. It then will be considered by American Insurance Assn. and the underwriters in the business. What he has seen of the report, he said, does not indicate that writing flood coverage is insurance. He said there was some study of inundation in the report. Mr. Bisson wanted to know if Mr. Berry had any idea of the cost of a full statistical showing. Mr. Berry said he didn't know where statistics for such a showing are available. He added that the amount of property subject to inundation is fantastic—and if, as is said, the eastern seaboard is subsiding, the values exposed will be even more fantastic. He noted that quite a bit of flood insurance is written through floaters, etc.

Ambrose Kelly, counsel of Factory Mutuals, said his companies are quite concerned about the problem of flood coverage. After the 1951 floods in the midwest, the factory mutuals asked policyholders what interest they had in flood cover. Not many had any, and they were interested only if the rate

were nominal. As a result of 1955 floods, the interest has increased.

Factory mutuals are studying flood losses and the possibility of insuring. They can't, he said, indicate yet if the hazard is insurable even in the specialized field of the factory mutuals. They do know that 1955 flood losses were extremely heavy for the risks they write, that if the factory mutuals did write the cover they would have to have reinsurance, within the business or with the government, to absorb such shock losses. It is essential, he believes, that in all discussions of flood insurance loss prevention be emphasized, as against indemnification. It will only be possible—if at all—to provide insurance if there is at the same time public and private prevention of flood loss. It is pretty clear, he said, that a risk regularly exposed to the flood hazard cannot be written at any reasonable rate.

Gold of North Carolina asked if insurers had considered combining natural catastrophe hazards. Mr. Kelly said yes, it had been given some thought. Earthquake has some characteristics of flood—the hazard is not evenly distributed geographically. This might be a fruitful avenue of approach. Such a coverage might have wider sales appeal. He noted that some pol-

icyholders, who reported after 1951 floods that they were not interested because they had no exposure, this August suffered extremely heavy damage.

Mr. Bisson called for an expression from the regular mutuals, but there was no response. The report of the committee was adopted by the commissioners.

The commissioners voted to establish a subcommittee, composed of insurance commissioners and industry representatives, to study ways of providing credit in automobile insurance rates for certain automobile safety devices and construction features. A report will be made next June by the subcommittee. The objective would be to provide individual motorists with an incentive to safer automobile operation.

The subject of a brokers' minimum qualification and licensing bill was held over. National Assn. of Insurance brokers would like to have the bill but National Assn. of Insurance Agents opposes it for fear it would come to be regarded as a model bill and tend to make the adoption of producers' qualification bills or the improvement of them more difficult.

A difference of opinion developed between National Board and the fac-

(CONTINUED ON PAGE 34)

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(CONTINUED FROM PAGE 13)

tended the rule of the Keen case to its ultimate extreme, Mr. Holden said. Jones, a seaman, was suddenly and without provocation beaten by a roommate with whom his previous relations always had been friendly. Judge Murphy found no negligence of any kind on the part of the defendant and, moreover, no evidence of temperamental unfitness on the part of the assailant. Nevertheless, he held that the mere unjustified and unprovoked assault breached the vessel's warranty of seaworthiness.

Certain attorneys representing longshoremen are using the doctrine of unseaworthiness to circumvent the longshoremen and harbor workers' compensation act. In the Alaska-Peterson case, the federal court decided that the ship owner warrants the tackle. Peterson was an employee of a stevedoring company, an independent contractor. He was injured by the breaking of a block owned by the stevedoring company, while the vessel was being unloaded by the stevedoring company under contract with the shipowner. The court found for the defendant. The U.S. court of appeals held for the plaintiff. This decision established as law that the breaking of the block while properly used in a proper manner constituted unseaworthiness. It applied the doctrine of absolute liability regardless of fault. It also rejected the doctrine of relinquishment of control, that the ship owner is not liable for unseaworthiness after exercising due diligence to make the ship seaworthy at the commencement of the voyage.

To make the stevedore gang not only seamen to the ship but to each other and then to impose the warranty of seamen to seamen is a possible reduction to the absurd, Mr. Holden said. Yet, this situation is rapidly developing, judging from the number of third party longshoreman suits being filed against ship owners in the federal courts.

Attorneys representing longshoremen as seamen are apparently basing their claims on the decision of Seas Shipping Co. vs Sieracki, which gave to longshoremen the benefit of the theory of unseaworthiness, holding that, for this purpose, he was a seaman. This case, however, involved an action by an employee of a contract stevedore which made the ship owner a third party. The opposite situation is where longshoremen involved are employees of the ship owner and, therefore, their sole and exclusive remedy is under the longshoremen and harbor workers' compensation act. If these attorneys are successful in attempting to broaden this decision to include longshoremen who are direct employees of the ship owner, it will mean the abrogation of the longshoremen's compensation act, he declared.

The ship owner can protect his own interests in these cases by tightening up discipline and intensifying safety programs to correct unsafe conditions, practices and habits. In the field of marine insurance much has been done to make ships and navigation safer, but there remains a vast field for safety educational work of a constructive nature, Mr. Holden said.

GAB Changes in East

Hugh E. Ryan has been named manager of General Adjustment Bureau at Stamford, Conn., succeeding John L. Osborne Jr., who has resigned. Mr.

Ryan will be succeeded as manager at Bridgeport, Conn., by Kenneth G. Critton.

Mr. Ryan joined GAB in 1948 at White Plains. He transferred to Stamford in 1949.

Mr. Critton joined the bureau at Huntington, W. Va., in 1946, transferred to New Jersey at Newark and Asbury Park, was in charge of the storm claims office in New Bedford, Mass., following the 1954 hurricanes, and headed the Baltimore storm claims operation established in August, 1955.

Cleveland Casualty Managers Elect

Cleveland Assn. of Casualty & Surety Managers at its annual meeting elected the following officers: President, Vernon H. Olson, New Amsterdam Casualty; vice-president, L. E. Fox, Hartford Accident; vice-president, C. E. Chaney, Home Indemnity, and secretary-treasurer, S. B. Mellor, New Amsterdam Casualty.

New executive committee members are T. L. Smith of Bankers Indemnity and E. O. Platell of American Surety. Hugh Dawson, president of Ohio Assn. of Insurance Agents, talked on "Confusion—Progress."

85% of Ore. Drivers Carry BI

PORTLAND—Oregon State Motor Assn. has estimated that 85% of the licensed drivers in the state now carry liability insurance. A year ago the association estimated 80% of the motorists carried BI.

WHERE TO PLACE YOUR BUSINESS

A guide or directory of responsible and adequately equipped local agents. These offices have nation-wide facilities for handling your out-of-state business.

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Smoke Odor Control Explained by Bliss

Richard C. Bliss, field supervisor in the Airkem smoke odor service division, told Albany Field Club that companies are increasing their specifications for the use of guaranteed scientific odor removal and counteraction in contrast to uncertain measures attempted in the past. He explained the manner in which the Airkem products chemically lift odor out of fabrics and off of surfaces and neutralize atmospheric odor by the principle of odor opposites. He mentioned that deodorization enters the loss adjusting and salvaging picture on fire inland marine and casualty claims to achieve indemnity where the odor has become absorbed by contents or lodged in places inaccessible to normal ventilation. It was also pointed out that the modern adjuster uses the smoke odor service to minimize loss where psychological factors exaggerate the extent of damage in insured's mind due to imagined damage sensed through the nose rather than physical damage seen by the eye.

He spoke of the factors for considerations in dwelling contents and merchandise losses from an economic standpoint. He said that, often, in a soot laden atmosphere, there may be several valuable items unstained by soot, which must be cleaned, refurbished or reupholstered because of odor. If such costs are greater than, or equal the cost of deodorization, nothing is lost and insured is given an added service on the loss.

He made a presentation concerning the fieldmen's interest in deodorization as moderators between home office and agent, home office and adjuster, and agent and adjuster.

Reserve Declares Dividend

Reserve of Chicago has declared a dividend of 10 cents per share payable Dec. 31 to stock of record Dec. 20. This is the first cash dividend since the company was acquired by an investment group in 1952. Reserve recently declared a stock dividend of 20% on the 120,000 shares then outstanding, and has just completed issuing an additional 16,000 shares based on rights issued in the ratio of 9 to 1.

Reserve specializes in writing automobile finance business, accepting any individual who is approved as a credit risk by a finance company, bank or credit union.

To Give Men of Year Awards

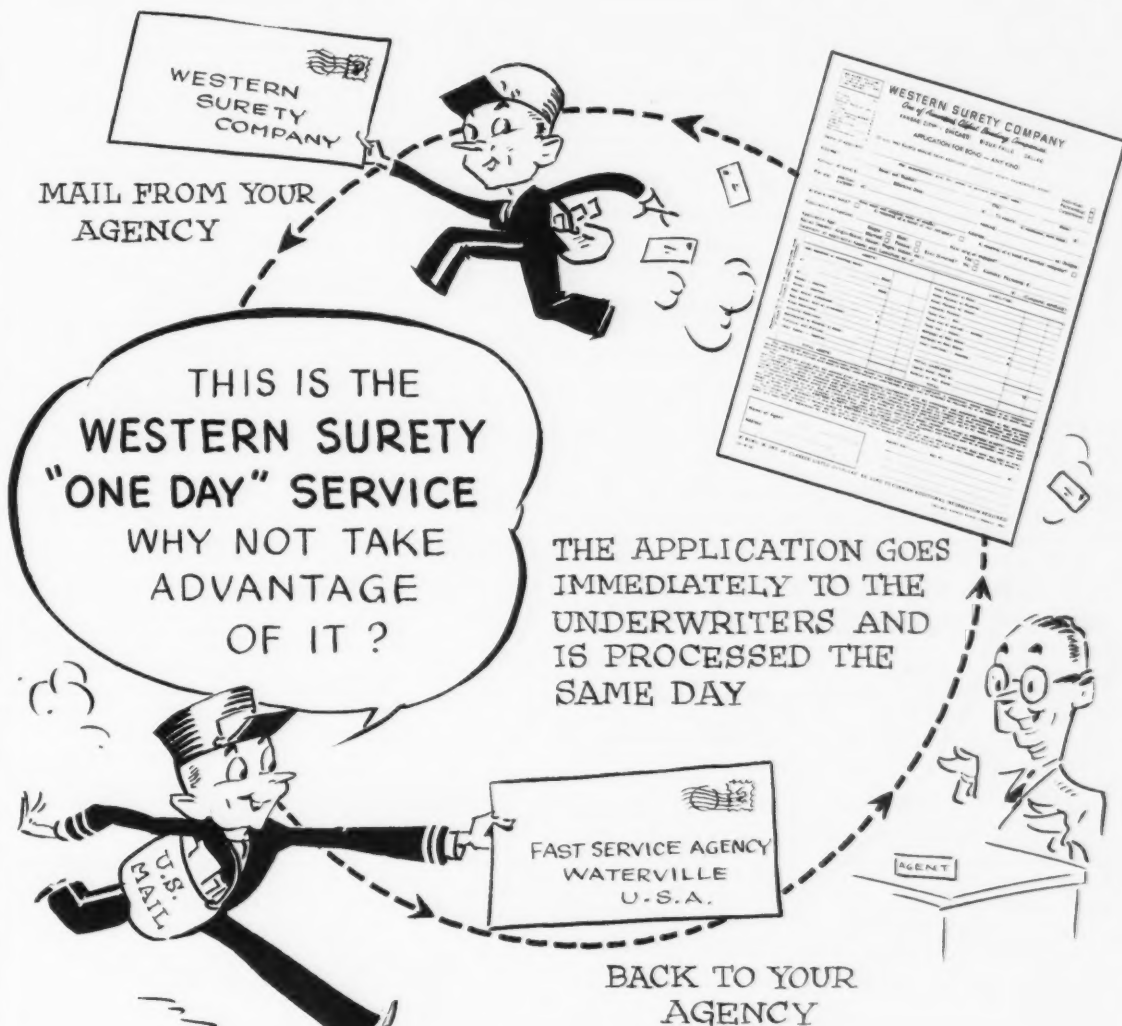
The insurance committee of New York City Young Men's Board of Trade will hold its annual luncheon at Hotel Roosevelt Dec. 15 when the awards to the insurance young men of the year will be presented. Testimonial scrolls will be presented by Insurance Superintendent Holz of New York.

Sioux Falls Agency 75 Years Old

The McKinney & Allen agency of Sioux Falls this month is marking its 75th anniversary. The agency was started in 1880 when C. E. McKinney went to Sioux Falls as representative of Scottish-American Mortgage Co. Mr. McKinney was joined five years later by his half brother, J. J. Allen. Today the agency is headed by Jay B. Allen as president, with W. W. Burt and John W. Coughmin as vice-president; W. W. Ament, office manager, Ray E. Dunn, farm insurance, and L. N. McKenzie, underwriter.

Herbert E. Leinberger, district manager at Union Grove, Wis., for State Farm, has been appointed to assistant state director in Wisconsin with headquarters at Madison.

PEPPY FREDDY, the fieldman, says:



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One of America's Oldest Bonding Companies

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South Dakota

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THE NATIONAL UNDERWRITER

If you are about age 30, career minded,
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OPPORTUNITY IS KNOCKING AT YOUR DOOR!

Able, ambitious young men are needed in every division of this aggressive, nationally-known multiple line company. Requirements include initiative and imagination, merchandising ability, home office or field experience in the casualty lines, and successful background in some phase of management, production or underwriting.

Each of these openings carries immediate responsibilities and offers future potential limited only by the individual himself. As proof, men who replied to a similar advertisement only a few years ago today are branch managers, department heads or junior executives. Similar opportunities exist now and will continue to open as the result of an aggressive expansion program which, for the tenth consecutive year, has established new high records in business transacted.

If you seek immediate opportunity and unlimited future potential, you will immediately mail a detailed resume of your qualifications. Replies strictly confidential. Our own people know of this ad. Address Box No. J-54, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CLAIMS SUPERVISOR—PERSONAL INJURY ASSISTANT CLAIMS SUPERVISOR PERSONAL INJURY ADJUSTERS CLAIMS EXAMINER (Home Office)

We have immediate openings in our Chicago and Springfield, Illinois offices for men 25-40 who are anxious to become associated with a progressive stock casualty company.

We offer excellent opportunity for advancement with liberal salary, group insurance plan, and other employee benefits.

Write and tell us about yourself; interviews will be arranged on the basis of information contained in your first letter.

LINCOLN CASUALTY CO.
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Progressive Midwestern Stock Company operating in a number of states writing fire and inland marine including farm and unprotected. Needs man able to take full charge. Excellent opportunity in growing company for ambitious, capable man. Reply with full resume to Box #J-53 c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

STATE AGENT — ILLINOIS

Excellent opportunity for right man to supervise Illinois for this well-known property insurance company that is owned and controlled by its own agents. Please contact us, giving your qualifications.

EXCELSIOR INSURANCE COMPANY
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EXPERIENCE

18 years heavy Casualty with capable Fire and Marine. Excellent Company and Agency background in East and Middle West. Presently employed and will relocate for opportunity. Please detail reply if possible. Box #J-52, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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2nd floor of 2 story modern building. Central business section on Rt. 12, one block to C.N.W. Station. Now 6 room apt., excellent for offices. 1st floor store now renting, future tenancy likely. Will rent 2nd floor or sell bldg. BICE REALTY, 17 N. Northwest Highway, TAICott 3-5806.

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Excellent opportunity for young man 28 to 35 with Accident & Health Underwriting or Claims experience to assume management of Home Office A & H Underwriting Department. College education essential. Liberal employee benefit program. Salary commensurate with experience and ability. Write full details as to experience, qualifications and education.

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Travel Northern Ohio from Cleveland Branch of large multiple line stock company. Prefer man between 25 and 35 with at least 3 years field experience. Liberal benefits. Salary commensurate with ability and experience.

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GENERAL AGENT MANAGER,

38 years of age—18 years experience, interested in General Agency, state of Florida, or agency director of company. Address Box #J-49, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

SPECIAL AGENT FIRE AND ALLIED LINES

Experienced man for Iowa to work out of Des Moines. Home week-ends. Excellent opportunity—salary—free life ins.—hospital—pension. Write personal history—education—experience—salary required.

Town Mutual Dwelling Insurance Co.
Hubbell Building, Des Moines, Iowa.

A&H Advertising Code Adopted by NAIC

(CONTINUED FROM PAGE 31)

tory mutuals over the recommendation on sprinklered risks of a group of departmental technicians, consisting of Gates of Maryland, Collins of New York and Harrity of Pennsylvania. Consequently, commissioners held up the matter for further study. This was the matter of the fire statistical classification of sprinklered risks. Factory Insurance Assn. has a new rating plan which permits rating of highly protected risks in a simpler way than the old sprinklered schedule, with a 55% credit for various items such as good housekeeping. The plan has been approved in several states, including New York. The technicians suggested that the highly protected risks should be separated from other risks for coding purposes.

Previously National Board had proposed the revision of the standard classification of occupancy hazards to provide for the discontinuance of the present six-way classification for sprinklered risks for fire insurance and the substitution of a revised three-way classification. The NAIC subcommittee was of the opinion that the original proposal of National Board did not make adequate provision for separately recording experience on sprinklered risks rated in accordance with special rating plans such as the highly protected risk plan or similar plans. The subcommittee therefore recommended that National Board's proposal be amended to provide for the separate recording of this experience. The subcommittee also discussed the desirability of a supplemental statistical plan on a countrywide basis giving a breakdown of experience for the 16 classes included in the rating plan.

Lewis A. Vincent, general manager of National Board, told the rates and rating organizations committee that the proposal of the subcommittee is antagonistic to the principles on which the National Board classification sys-

tem is based. He pointed out that National Board has not had adequate time to study the proposal, and that the committee should reject or hold the matter for further study.

Mr. Kelly spoke for the proposal on the ground that better statistical material is needed by the departments to determine the adequacy of rate levels for sprinklered risks. There should be a relationship between the statistical plan and the rating of such risks, he said. Chairman Sheehan of Minnesota said the item would be carried over until next June.

Joseph F. Collins of the New York department said that he disagreed with Mr. Vincent on a point of information, that the proposal by the subcommittee was a departure from the statistical plan by occupancy. He said none of the sprinklered classes is set up on an occupancy basis. Mr. Vincent replied that they are divided between manufacturing and non-manufacturing.

The multiple line subcommittee was discharged and the subject removed from the agenda.

Bisson of Rhode Island in his reports at the plenary session, on underwriting powers, fire and marine, and flood committees introduced a new style of presentation—a rapid fire monotone that covered each report in less than 60 seconds. However, it remained for Hammel of Nevada to give the shortest report during the convention, that on fraternalism. His report was: "No agenda, no meeting, no report."

Hammel of Nevada, at a meeting of the casualty and surety committee, asked for a clarification of the rule allowing credit for those who have completed recognized driver training courses. He said that there are so many schools which cannot qualify under the standards set up by National Bureau, chiefly the qualification of 30 clock hours. William H. Brewster, manager of the automobile department of National Bureau, pointed out that when the bureau announced the 10% discount for driver education, it was in no position to set the requirements, so it took those of National Educational Assn. He added that when the seriousness of the problem of the young driver is realized, none can say the standards are excessive.

The casualty and surety committee report which was adopted also embodied the recommendation of a subcommittee headed by Miller of Vermont that the subcommittee be continued in order to provide a point of contact between NAIC, American Assn. of Motor Vehicle Administrators, Insurance Superintendents of the Provinces of Canada and All Canada Insurance Federation, on the matter of evidence of financial responsibility of motorists on a reciprocal basis between the U.S. and Canada. The subcommittee noted that the problem was more one for motor vehicle administrators than for insurance commissioners. The administrators are seeking a solution to administration difficulties and want meetings to consider the subject. The subcommittee of NAIC will participate in these discussions.

The business operation of the convention was as smooth and efficient as it ever has been. Thomas R. Dew of Chubb & Son, chairman of the industry committee for the midyear, and J. J. Schieffelin of Chubb & Son managed the large corps of personnel contributed by insurance offices of New York, and the production of the hundreds of reports was prompt and accurate. Equipment was loaned by Remington Rand, Haloid Company with

BOND UNDERWRITER

Large, multiple line stock company has unusual opportunity for 2 bond men, with minimum of seven years underwriting experience and administrative potential, to be assigned to important positions in South or Midwest. Write Box NY-39, c/o Advertising Dept., The National Underwriter Co., 99 John St., New York 38, N. Y. including experience, education, age, present and expected salary.

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Large nationally operating mid-west casualty and fire insurance company has opening for young man interested in Actuarial career. Minimum of 2 years Actuarial experience desired. Age 23 to 33. Good beginning salary and excellent opportunity for advancement. Liberal employee benefits. Write giving details on personal data, experience and salary requirements, to Box #J-45, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Nationally known Casualty Company has opening in Illinois for Experienced Payroll Auditor. Write experience and salary required to Box #J-46, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

its Xerox equipment for producing master copies and Addressograph-Multigraph Corp.

This year the industry committee tried something new, a cocktail party followed by a buffet dinner, in place of the one luncheon usually held at this midyear gathering. The affair must have been highly successful because it drew a more than capacity crowd.

Next winter the meeting goes to Miami Beach, Dec. 3-7, and will be held in the di Lido group of hotels at Lincoln road and the ocean.

About 40 insurance commissioners and department personnel, together with several company representatives, took occasion while they were attending the midyear convention to visit National Council on Compensation Insurance and Interstate Compensation Rating Bureau. They went over the procedures followed by the council and the interstate organizations, including the council's electronic equipment, and then were treated to cocktails and lunch.

O'Halloran Heads Fire Unit

Thomas C. O'Halloran has been named manager of the fire and inland marine department at Los Angeles for United Pacific. He has been in the southern California territory for Security of Connecticut as fire and inland marine superintendent. He started with Security in 1948 as special agent, going to Los Angeles in 1954. Prior to 1948 Mr. O'Halloran was in the local agency business.

Hughes Promoted at Dallas

G. W. Hughes has been promoted to agency supervisor at Dallas for American Automobile. He joined the company in 1946 at Dallas as a payroll auditor and in 1949 was named field underwriter. He started in insurance in 1929 with Commercial Standard, acting as payroll auditor and later as special agent.

Cabana Cover at 5%

London Lloyds will insure 60 cabanas to be constructed at Gulf Park on Padre Island near Corpus Christi, Tex., for three years at 5%. The cabanas are valued at \$135,000 and are owned by the county. Total premium is \$6,250. A \$2,500 aggregate deductible is included in the policy.

Allstate Promotes Normoyle

John L. Normoyle has been promoted to publicity supervisor in the public and industry relations department of Allstate. He joined Allstate in 1953 as a copywriter in the customer relations department and became a publicity writer in 1954. Prior to joining Allstate, he had been on the editorial staff of Industrial Publications of Chicago.

Southern of Dallas Adds to Surplus

Surplus of Southern of Dallas has been increased by \$200,000 by the stockholders. The company has a capital of \$500,000 and the new surplus is \$268,000. Southern writes auto physical damage insurance.

GAB Makes Changes in Western Branches

General Adjustment Bureau has established two new branches and made several recent changes in personnel and locations of branches in its Pacific department.

William H. Van Deman has been promoted from manager at Douglas, Ariz., to manager at Palm Springs, Cal., to succeed Fred Morrison, who resigned. Mr. Van Deman joined GAB at Tucson in 1951 and was named manager at Douglas in 1953. He was previously with General Motors and Motors Insurance Exchange for 11 years.

Laureano A. Durazo, who joined GAB at Douglas in 1952, succeeds Mr. Van Deman as manager at Douglas.

F. G. Dowle has been named manager of the newly-established branch in the First National Bank building at Miles City, Mont. He succeeds Norman Goodsir, formerly resident adjuster, who was transferred to the GAB staff at Wenatchee, Wash. Mr. Dowle joined GAB at Eugene, Ore., in 1952. He was formerly an adjuster at Winnipeg, Man.

Rex R. Darnell, formerly resident adjuster at Pendleton, Ore., has been promoted to manager of the newly-established branch there in the Stangier building, 116 South Main street. He joined GAB in 1946 at Walla Walla.

New addresses of branches which have recently moved to larger quarters are: Eubanks building, 304 North Church street, Las Cruces, N.M.; 18 North Leroux street, Flagstaff, Ariz., and 101 Plum street, Trinidad, Colo.

Edward Robedee Promoted

Edward Robedee, general adjuster for the Improved Risk Mutuals, has been elected executive assistant of the companies. He has been in the business for 30 years and has been with IRM since 1944. He was named general adjuster in 1950.

Schwobeda to Home Office

L. H. Schwobeda, assistant manager of the fidelity, surety and burglary department of Fireman's Fund at Los Angeles, has been transferred to the home office as assistant to the vice-president in charge of these operations.

Kemp Joins Sayre & Toso

Gordon Kemp, who has been in charge of Lloyds operations at Portland, Ore., for Swett & Crawford, has been appointed special agent for Sayre & Toso in Portland.

Manitowoc Agents Hear Roberts

Donald Roberts, special agent of U.S.F.&G., talked on new dwelling forms at a meeting of Manitowoc Insurance Board.

J. & H. Expands at Philadelphia

Curtin & Brockie, Johnson & Higgins of Pennsylvania, Inc., has acquired the 75-year old Philadelphia insurance firm of Williams & Walton, effective Jan. 1.

Frederic H. Strawbridge Jr., senior

partner of Williams & Walton, will join Curtin & Brockie, Johnson & Higgins of Pennsylvania as vice-president.

Johnson & Higgins opened its Philadelphia office in 1885 and in 1902 incorporated it under the name Curtin & Brockie. In 1944 the firm of Johnson & Higgins of Pennsylvania, Inc. was formed and the business has continued under both the Johnson & Higgins and Curtin & Brockie names with both corporations having identical officers and directors.

Shepherd Gets Sun in Miss.

Alvin Shepherd has been named general agent in Mississippi for Sun. He has been managing general agent for the company in Louisiana since 1940. The Shepherd office also represents Equitable, F.&M., Northwestern F.&M. and Quaker City F.&M.

Ga. 1752s Elect Langston

Georgia 1752 Club, meeting at St. Simons Island, elected Walter Langston, Shelby Mutual, as president; H. M. Franklin, Pennsylvania Lumbermen's Mutual, vice-president, and W. C. Rodgers, Utica Mutual, secretary and treasurer.

Department Manual in La. Proves Helpful

The manual of administrative procedure of the casualty and surety division of Louisiana insurance rating commission which was produced some time ago by George H. Menefee, commission chairman, has proved a boon to insurers and rating bureaus. The demand for the manual has been heavy from companies, bureaus, company branches and field men.

The handbook, which required six months to produce, was aimed at saving time and expense of the companies and general agency representatives operating in the jurisdiction of the commission. A free copy was made available to those having use of it, with additional copies at \$1 apiece.

So far the big questions have dealt with deviations. This phase of insurance operation, judging by the inquiries the Louisiana commission has received, is getting to be a large one. Many of the questions deal with what is required in the way of statistics. The handling of surplus lines also has produced a number of questions.



*I Know
it doesn't fit*
**BUT LOOK
AT THE MONEY
YOU SAVE**

Two PAIR of pants, too. But when the customer got a good look, he decided not to buy.

That is, until a St. Paul agent tailored a policy to fit his needs. Just the right amount of coverages in the right places.

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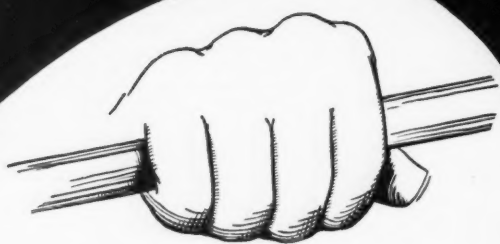
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Massachusetts' Oldest Fire Insurance Company



ADMITTED MULTIPLE LINE

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Excess of Loss

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JOSEPH WEINTRAUB, MANAGER, INC.
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Phoenix of London Names Two V-Ps

W. Fred Ballou and William C. Harris have been elected vice-presidents of Phoenix Indemnity, Columbia of New York and United Firemen's and appointed assistant U.S. managers of the Phoenix Assurance and London Guarantee.

Mr. Ballou has been countrywide production manager of Phoenix of



W. Fred Ballou



William C. Harris

London group since 1953. He formerly had been assistant manager of the western department at Chicago from 1950 and field representative in the New England department at Boston from 1945.

Mr. Harris has been with Phoenix of London 26 years, mostly at the head office in London, where he was in charge of fire underwriting for London. He transferred to New York in 1954 and in 1955 was appointed assistant department of Phoenix Assurance, Columbia, and United Firemen's.

Safeguard Names Rhudy & White Fla. General Agents

Rhudy & White of Jacksonville have been appointed general agents in Florida for Safeguard of the London & Lancashire group. Rhudy & White succeed James C. McKay, who has represented the company in the same capacity for a number of years. Rhudy & White also represents London & Lancashire and Orient in the L. & L. group.

AFCO Opens Office in San Francisco

Afco has established an office at 233 Sansome street, San Francisco and appointed Edward V. Wallace manager. The office will serve California, Oregon, Washington, Arizona, Nevada, Utah, Idaho and Montana. It will begin operation about Jan. 1.

Mr. Wallace joined Afco in 1954, and has been production manager. Louis P. Seidensticker will assist Mr. Wallace. He joined Afco in 1954 as a field representative.

First WC Award to Tenn. Legislator

Tennessee board of claims has awarded medical and hospital expenses under the workmen's compensation law to Jefferson Davis, representative from Hawkins county, for injuries incurred during the 1955 session of the state legislature, the first such claim ever paid to a legislator. Mr. Davis, 78, was struck by an automobile in front of the state capitol.

To Tallahassee for GAB

Michael Barton, formerly a senior adjuster of General Adjustment Bureau at Atlanta, has been appointed manager at Tallahassee, succeeding Carl A. Craig, who has been transferred to Miami. Mr. Barton joined GAB at Greenville, S. C., and later transferred to Columbia. He spent several years in the local agency business.

Shalleck Named Assistant to Holz

Superintendent Holz of New York has appointed Milton Shalleck as executive assistant. Mr. Shalleck, a special deputy superintendent in charge of the liquidation bureau, has worked closely with the superintendent on special assignments. He is an attorney and before joining the insurance department earlier this year, held other public positions, including U. S. commissioner of the South Pacific commission. For 15 years, he was assistant to former Justice Samuel I. Rosenman.

Ask Auto Collision Refunds in Connecticut

Commissioner Spellacy of Connecticut has indicated he is ordering ten finance automobile insurers which operate through finance companies to refund \$500,000 plus to Connecticut policyholders. This money, he stated, represents overcharges on improperly classified collision coverage. No complaints from individual policyholders were made to the insurance department, he indicated. He will confer with the insurers involved this week.



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those who deserve it

✓ Not everyone who might like the protection of a Professional Liability policy measures up to the standards we hold as necessary underwriting requirements. But for those who do "Shelby" agents now provide insurance at money saving Mutual rates.

✓ Doctors, dentists, druggists, opticians, optometrists and hospitals well know the possibilities for trouble when some patient accuses them of malpractice. When you are in a position to meet their needs for professional liability insurance you have something of real importance to offer. Would this make "Shelby" facilities valuable in your agency?

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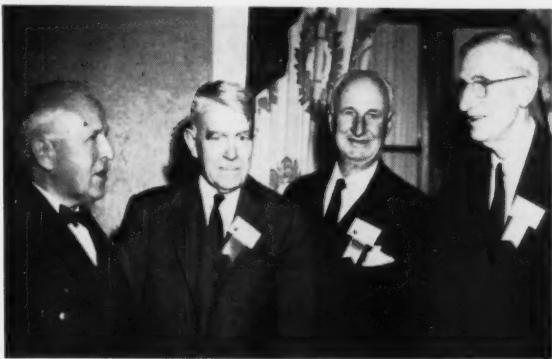
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Three former Connecticut commissioners and the incumbent, photographed by Harry Fuller of the National Bureau during the NAIC meeting in New York: From the left, Howard P. Dunham, John C. Blackall, W. Ellery Allyn, and Thomas J. Spellacy. They represent 33 continuous years of insurance administration in the state.



Photographed by Harry H. Fuller, midwest manager of the National Bureau at the meeting in New York last week of National Assn. of Insurance Commissioners:

Top, Hugh Harbison, attorney of Travelers with A. S. Kuenkler of U.S.F.&G.

Center, William Leslie, general manager of the National Bureau with Guy Whitten, Maine deputy commissioner.

Bottom Henry S. Moser of Allstate and August Pryatel the new Ohio superintendent.



Top, Jack G. McKenzie of the National Board at New York, and Weldon F. Williams, National Board, photographed at the NAIC meeting by Harry Fuller of the National Bureau.

Center O. P. Bennett, the new Iowa commissioner and George Hafer, Harrisburg, attorney.

Bottom, Edward McLoughlin attorney for North British, and O. Shaw Johnson of Clarksdale, Miss., past president of NAIC.



W. Russell Arrington, vice-president of Combined of Chicago and chairman of the Illinois senate insurance committee with Roy Davis, midwest manager of Association of Casualty & Surety Companies, and Armand Harris of St. Paul F. & M. and former Minnesota commissioner at the NAIC meeting in New York. Photograph by Harry Fuller of the National Bureau.



Photographed at the NAIC meeting in New York by Harry H. Fuller, midwest manager of the National Bureau: From the left John P. Faude, counsel of Aetna Casualty; Ray Murphy, counsel of Assn. of Casualty & Surety Companies; Edward Earle, National Bureau of Casualty Underwriters; Hugh Tollack, secretary of National Assn. of Insurance Commissioners; Paul Rogan, new Wisconsin commissioner.

Commissioners Frank Sullivan of Kansas, Arch E. Northington of Tennessee, and Kam Tai Lee of Hawaii, photographed at the NAIC meeting in New York by Harry Fuller, midwest manager of the National Bureau of Casualty Underwriters.

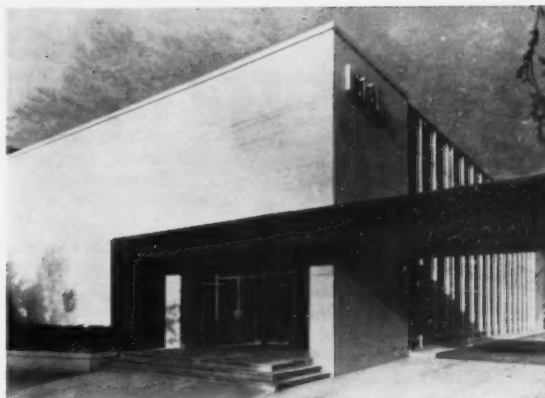


Joseph F. Murphy, formerly of the New York department and now with America Fore, at the NAIC meeting with C. P. Cunningham of Zurich at New York, and James Kennedy and E. J. Savage, who are at the head office of Zurich. Photograph by Harry Fuller of the National Bureau.

U.S.F.&G. has opened a new office in Richmond to supervise all business in Virginia, except Norfolk and the northernmost counties which continue to be under the supervision of Baltimore. H. Monroe Baisden, who has been with the U.S.F.&G. since 1939, is manager of the new office. He entered insurance as an underwriter at the home office, subsequently became superintendent of surety at Omaha, transferred to Jacksonville, Fla., as special agent and was appointed assistant manager there in 1949.

George A. Stewart Jr. is assistant manager. He joined U.S.F.&G. in 1946 in the home office agency and development department, was assigned the same year to Philadelphia as surety underwriter, and was appointed special agent at Knoxville in 1948. Most recently he was special agent at Roanoke, Va.

The new building, at 1010 Thompson street, is of modern design with the exterior largely of green-tinted, heat-resistant glass. Completely air-conditioned, the two-story structure contains a total of 15,000 square feet. Ample parking facilities adjoin the building.



Alliance Wants Voluntary Auto Compulsory Law

(CONTINUED FROM PAGE 1)

tration certificate or assigning a license plate to any auto owner unless he has stated in his registration that the motor vehicle is covered by 10/20/5 liability insurance, or, in lieu of such insurance, proof of FR in the form of a bond or deposit amounting to \$25,000 or a certificate of self insurance.

The car owner would be required to maintain financial responsibility continuously during the registration period.

A fine of \$100 to \$1,000 or imprisonment of one year, or both, would be imposed on the car owner or driver, resident or non-resident if such proof of FR were not shown.

Such a law, Mr. Yount said, would eliminate opposition to compulsory legislation on such arguments it adds to the expense of administering and enforcing the law, increases paper work for insurers in filing certificates of insurance, notices of cancellation, etc., would reduce agent's commissions, and would lead to political rate making.

Mr. Yount said that the plan differs from the unsatisfied judgment fund proposal of Insurance Superintendent Holz, which he advocated last week at the Neddo legislative committee hearing in New York City. Liberty Mutual and American Mutual Alliance are unalterably opposed to UJF in any form, Mr. Yount said. Such funds are wrong in principle since they make some persons pay for what other persons do, he said. The Holz plan would put the state in the insurance business since it would be operated by the state, he said. However, the Holz plan does eliminate part of the defects of the New Jersey UJF since the uninsured motorist would be required to pay the entire cost. However, it would make the New York resident uninsured motorist pay claims against uninsured, financially irresponsible, out-of-state motorists, and for hit-and-run drivers.

If the cost of claims caused by uninsured motorists runs \$15 million annually, as has been estimated, the owners of the 500,000 uninsured vehicles in New York state would be required to pay \$30 for each uninsured car at the time of registration, Mr. Yount commented. This amount is higher than the cost of insurance in some areas in the state, he pointed out.

Another method which has been evolved to solve the uninsured motorist problem in the state is the uninsured motorist endorsement, he said. "Economically this is a little silly, too," he said, since under one form negligence must be proved against the uninsured motorist, and it makes the insured motorist pay the cost of the claim against the uninsured motorist.

He believes that if the equal responsibility proposal is found suitable for approval by the legislature, the cost of the UM endorsement would be reduced 50 to 75%. Mr. Yount said he believed insured motorists would continue to buy the cover, especially if it were reduced to a cost of around \$1 annually, in order to round out their insurance programs.

The Holz plan and other proposals call for impoundment of automobiles after uninsured accidents, which Mr. Yount thinks is a good idea, but he doesn't believe it can be sold to the public.

Mr. Yount summed up the equal responsibility proposal as "compelling

motorists to buy insurance voluntarily."

Both the UJF and the voluntary UM cover place all or part of the financial burden on the prudent, conscientious, insured motorist rather than upon the recalcitrant uninsured motorist.

Under the equal responsibility law the cost would be borne by the uninsured motorist and would make him responsible for the accidents he causes. It also does not contemplate any change or difference in the present methods of doing business in insurance. The liabilities of all parties would be determined by a court of law, not a board of arbitration or an extra-judicial agency. Pedestrians would also be protected and property damage claims would be covered. The philosophy of the security type responsibility laws is further extended under the plan because all motorists would be responsible for the accidents they cause.

Reverse Penalty Ruling on Incorporated Agencies

(CONTINUED FROM PAGE 1)

original ruling by concluding that "the insurance commissions in question will not qualify as personal holding company income within the comprehension of section 543(A)(5) of the internal revenue code."

NAIA President Kenneth Ross of Arkansas City, Kans., paid tribute to the work done by Mr. Tye and Mr. Hanson.

NAIA entered the case because, in addition to regular corporate income taxes, personal holding company tax provisions apply an almost confiscatory tax rate of 75% of the first \$2,000 and 85% on the remainder of the undistributed personal holding company income. The penalty tax would apply generally to net income remaining after deduction of dividends and regular federal income taxes.

Certain tests are applied by the law in determining the existence of a personal holding company, according to Mr. Hanson. The two general conditions first applied are ownership and source of income. For the ownership test, the law requires that 50% or more of the corporation's stock be owned by five or fewer individuals, including members of their families. The source of income requirements is that 80% or more of the corporation's gross income be derived from certain sources, such as dividends, royalties and annuities, etc. Included in the sources of income are personal service contract payments.

Section 543(A)(5), in addition to the two general tests, further defines income from personal service contracts as "amounts received under a contract under which the corporation is to furnish personal services, if some person other than the corporation has a right to designate by name or by description, the individual who is to perform the services or if the individual who is to perform the services is designated by name or by description in the contract." This sub-section is further refined by a qualification that it shall apply to amounts received for services under a particular contract only if at some time during the taxable year 25% or more of the value of the outstanding stock of the corporation is owned directly or indirectly by or for the individual who is to perform or may be designated to perform the services.

IRS, in reversing its ruling, pointedly referred to the contract between the agency and one of its companies

Late News Bulletins...

(CONTINUED FROM PAGE 1)

approved changes in rates for fire and allied lines of insurance which were scheduled to become effective Jan. 1.

The bureau has voluntarily requested Commissioner Rogan to postpone the effective date of the new rates until such time as the pending proceedings are concluded. This would avoid duplication and confusion as well as the expense of publication and distribution of changes in manuals, schedules and related material which will be sent to companies, subscribers and agents.

In its answer to the department, the bureau states its position that the filings are and have been in compliance with the requirements of the Wisconsin statutes. It offers, however, to review with the department all the pertinent facts relative to rates and rating schedules and to assist in clarification of the whole question of the new rates in Wisconsin.

which NAIA in its brief emphasized was typical of the contracts it enters into with other companies it represents. "This contract," IRS said, "discloses that the individual who is to perform the services in writing the insurance is neither mentioned nor described therein, nor is it indicated that any person other than the taxpayer will have the right to name or designate such individual."

Allstate Takes Wash. Fire Rate Rejection to Court

Allstate has appealed the rejection by Commissioner Sullivan of Washington of its filing of dwelling fire rates at a deviation of 15%. The appeal was made in Thurston county superior court at Olympia.

Allstate has been attempting for about a year to have its dwelling rates approved, and only last month was turned down again by the commissioner, who said the filing was based on "estimates, speculation and conjecture rather than actual experience."

Oct. Traffic Deaths Highest Since 1937

Traffic deaths numbering 3,920 in October represented a 12% increase over the same month in 1954 and produced the heaviest death toll for the month since October, 1937, according to Nation Safety Council figures.

October had the greatest number of traffic deaths of any month since December, 1941, the record, and was the eighth consecutive month this year to show more deaths than the same month of 1954.

For the first 10 months of this year, traffic deaths totaled 30,980, a 7% increase over 1954. Despite the rise in deaths, at the end of nine months the latest deaths per 100 million traffic miles dropped to 6.0, a new record low for the period.

Firemen's Marks 100th Anniversary

Firemen's of Newark marked the 100th anniversary of its founding with an informal luncheon served at the head office in Newark. John R. Cooney, president, William B. Rearden, executive vice-president, and other executives were hosts to local insurance and business leaders of the home office community.

Fireman's had earned premiums in 1954 of more than \$61 million, and is the lead company in the loyalty group. Consolidated earned premiums were more than \$155 million in 1954.

N. J. Files Major Fire Rate Changes

Effective Dec. 6, New Jersey insurance department has approved a number of changes in rules and general revisions in fire rates, both up and down, filed by Fire Insurance Rating Organization of New Jersey.

Fire rates on dwellings have been reduced about 25%, and rates on unprotected dwellings have been decreased from 38 to 30 cents.

Due to the extremely unfavorable loss experience resulting from hurricane damage and the South Amboy explosion of 1950, the rates for extended coverage have been substantially increased. The \$50 windstorm loss deductible clause has been made mandatory. The previous 8 cent rate for \$50 deductible on dwellings now is 16 cents.

The term rule has been revised, and all property except that covered under floater forms of any kind and grain risks written under premium adjustment reporting form is now eligible to be written for more than one year at reduced multiples of the annual rate. The rules for multiple location form A have been revised to permit the issuance of three year policies.

Holcomb to Rejoin Stewart, Smith Jan. 1

G. De Witt Holcomb Jr., executive vice-president in charge of Aero Associates in Chicago, is rejoining Stewart, Smith (Ill.) as a director and vice-president Jan. 1.



Mr. Holcomb was with Stewart, Smith from 1947 to 1949 as manager of the aviation department. In his new capacity he will devote much of his time to aviation reinsurance. He began in the aviation business in 1942 when he became Chicago manager of the old Aero Underwriters.

Mr. Holcomb is leaving for London Dec. 10 to visit the Stewart, Smith offices and Lloyds underwriters.

New Orleans Surety Men Name Scott President

Russell J. Scott, Home Indemnity, is the new president of Surety Assn. of New Orleans. J. D. Sullivan, Fidelity & Casualty, is vice-president, and G. Earl Williams, National Surety, is secretary-treasurer. The group meets on the third Friday of each month.



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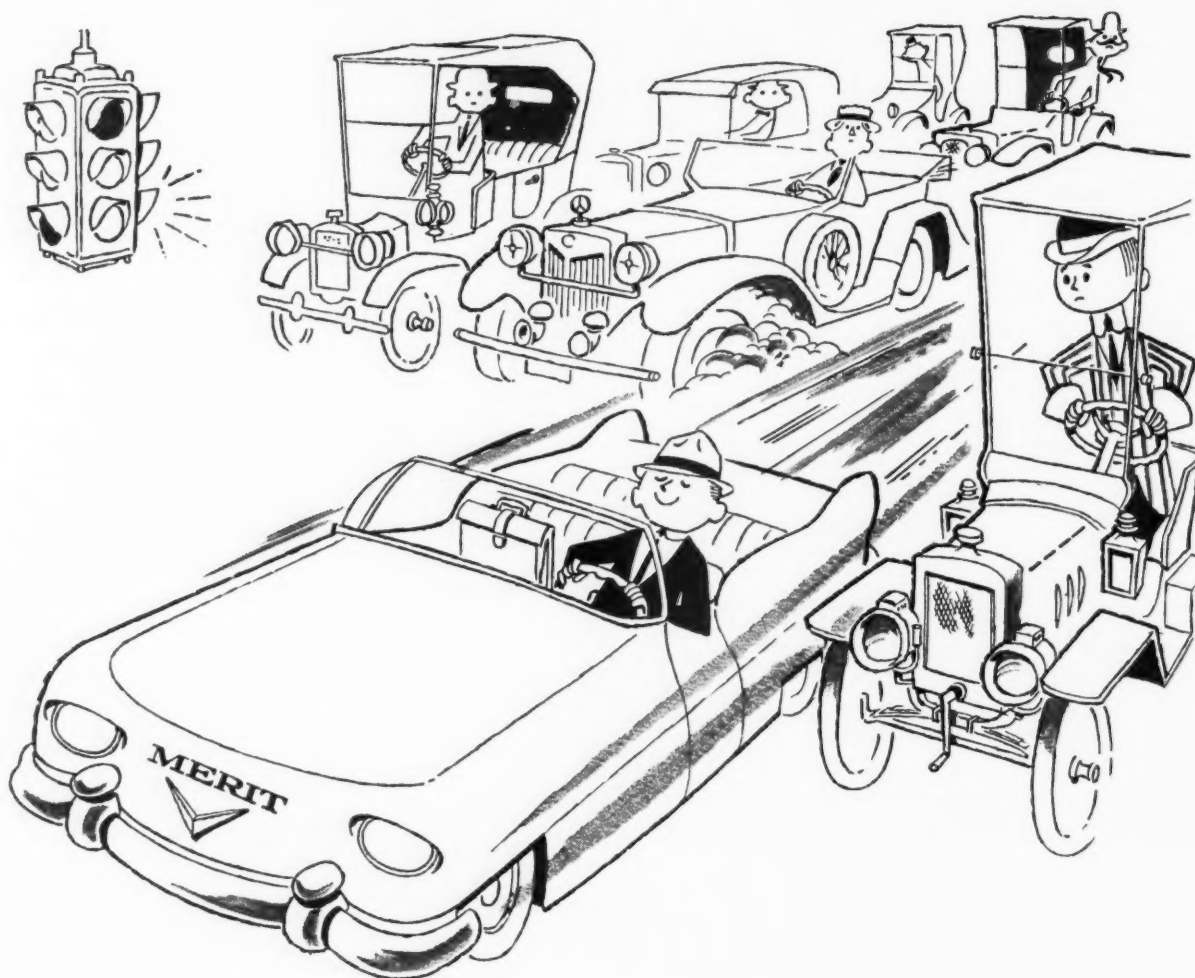
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